

Polish Paradox: Election Losers Must Still Lead the Country

By Jackson Diehl

Washington Post Service

WARSAW — The crushing defeat of leading members of the Communist Party in Poland's quasi-democratic parliamentary elections has left the country's political elite in a quandary: how to shore up a government that still must bear the burden of putting into effect far-reaching and unpopular economic changes.

By rolling up huge majorities in electoral districts

NEWS ANALYSIS

around the country, the Solidarity movement firmly re-established itself as Poland's dominant political force. It won a popular mandate for the broad program of change it negotiated with the party at the recent roundtable talks that established the format for the elections on Sunday.

Still, the complexities of Poland's tangle of democratic and totalitarian politics are such that it is the rejected leaders of the party, not the triumphant new legislators of Solidarity, who must try to carry out that radical and risky program. In a true parliamentary democracy, the defeated party would be swept from office. But even if government ministers are replaced, it will still be Poland's vanquished Communists who will have to impose the price increases and plant closings the plans for change demand.

Party leaders say that a Communist-Solidarity coalition could resolve this political paradox. But even though Solidarity backs the changes and won the elections, many of the people who voted for it would not easily accept its presence in a Communist-run government.

Thus, Solidarity seems destined to remain in official parliamentary opposition, torn between its tacit alliance with the party and its base among the millions of Poles who determinedly crossed the name of every Communist candidate off their ballots. Poland's most democratic elections in 40 years may serve only to deepen the country's political impasse.

"An enormous responsibility has fallen on Solidarity," wrote the Warsaw Solidarity leader, Zbigniew Bujak, on Tuesday in the opposition paper *Gazeta Wyborcza*. "How should an opposition behave when it has the majority?"

The Communist daily *Trybuna Ludu* asked the question differently: "The problem is how to organize a political alliance that would be capable of pushing the economy toward progress."

The Communists and their official allies are guaranteed a majority in one house of parliament, the Sejm, as well as the votes to elect the party leader, General Wojciech Jaruzelski, as president. But Solidarity's landslide means that the government will be unable to pass major laws in the new bicameral legislature without union support.

While votes are still being counted, it appears that the Solidarity Citizens' Committee, a coalition of opposition candidates, will win 92 of 100 seats in the freely elected Senate in first-round voting and 160 of the 161 of the seats in the Sejm, or lower house, that it was allowed to campaign for.

In contrast, all 264 Sejm seats reserved for Communist and Communist-allied candidates will have to be decided in run-off elections, because no one won a majority in the first round. Meanwhile, most or perhaps all of the senior party and government leaders running unopposed for the Sejm on a 35-member so-called "national list" appear to have been rejected by the voters.

Government officials said they were still studying how to handle this unexpected outcome, which has created legal and political uncertainty by leaving unfilled several Sejm seats mandated for the party in the roundtable accord.

Opposition leaders have made clear that they would like to help their party partners in the accord.

Solidarity spokesmen, however, continued to reject suggestions that the opposition join a coalition government, saying the movement could cooperate with Communist authorities only issue by issue.

Even if party leaders side out the election debate, they are painfully aware that the task awaiting the government is the adoption of unpopular measures to rescue a collapsing economy. These include steep

food-price increases, cuts in investments and the shut-down of unprofitable industrial enterprises.

Previous government attempts to impose such austerity measures were blocked by waves of strikes, yet it appears the same officials will now be compelled to try again just weeks after their overwhelming popular rejection at the polls.

Economists say that the austerity measures can no longer wait.

For several months, the state treasury has been issuing huge sums in inflated currency to cover a soaring gap between government revenue and spending. The Finance Ministry has warned that the domestic market is in danger of collapse, which would empty shops of basic foodstuffs. Already, the inflation rate is nearing 100 percent, and industrial production is falling.

The party appears to believe that the government cannot begin to tackle this crisis without Solidarity's cooperation, and that the union, as the party spokesman, Jan Biskupski, put it, "must assume joint responsibility for the state."

If Solidarity does not associate itself entirely with the bitter economic medicine, party officials say, the country could soon descend into a chaos of strikes and shortages reminiscent of 1981. At that time, Solidarity's first campaign for national reform ended with the imposition of martial law.

WORLD BRIEFS

Khomeini's Successor Vows Fealty

TEHRAN (Reuters) — Iran's new religious leader, President Ali Khamenei, kneeling at the grave of Ayatollah Ruhollah Khomeini, vowed Wednesday to keep the country on the path of Islamic revolution. Mr. Khamenei's remarks were relayed to a memorial service for Ayatollah Khomeini, who was buried Tuesday.

A mullah, Mohammed Taqi Falsafi, told the service that President Khamenei had sworn on the grave not to forget the Ayatollah's teachings. He vowed to continue the Islamic revolution that swept away the pro-Western dynasty of the shahs and restored Shiite tradition.

The selection of Mr. Khamenei to succeed Ayatollah Khomeini has blurred the lines of power, with the constitution under revision and the future post of president expected to carry most weight. President Khamenei is legally barred from seeking a third term in the coming elections.

Hong Kong Warns About Refugees

HONG KONG (HTT) — Hong Kong will be forced to consider suspending its screening program for Vietnamese refugees if the international community does not resolve the resettlement problem swiftly, the territory's secretary for security, Geoffrey Barnes, said Wednesday.

His warning was issued a week before the start of a UN-sponsored conference in Geneva on Indochinese refugees at which Hong Kong will be represented by its governor, Sir David Wilson, and the British foreign secretary, Sir Geoffrey Howe.

The conference is expected to delay until October a decision on deporting Vietnamese judged to be economic refugees. Both the United States and Vietnam oppose mandatory repatriation of the 90,000 refugees awaiting resettlement in Asian camps. Nearly half these are in Hong Kong, where the population is running out of patience with the government's commitment to provide them temporary asylum.

2 Are Sentenced for Pentagon Fraud

ALEXANDRIA, Virginia (AP) — Two defendants convicted in the Pentagon corruption investigation drew one-year prison sentences Wednesday, but the judge suspended parts of the terms and ordered the rest served in halfway houses so the pair could continue to work for a military contractor.

A jury had convicted George H. Kaub and Eugene R. Sullivan, both vice presidents on leave from Teledyne Electronics in San Diego, California, in April of taking part in a scheme to obtain inside information from the Pentagon through a military consultant, William L. Parkin. Mr. Parkin was sentenced last week to 26 months in prison for helping a navy official for information that would help Teledyne get a \$24 million contract for hand-held radar detection kits.

Envoy Says Libya 'Loonies' Arm IRA

BELFAST (Reuters) — The new U.S. ambassador to Britain said Wednesday that the Irish Republican Army was inspired by the Mafia, financed by ignorant Americans and armed by "the loonies of Libya."

The diplomat, Henry H. Catto Jr., made the comments after a fact-finding trip to Northern Ireland on Tuesday, during which an IRA bomb attack injured three elderly women. "It looks to me as if these people have their arms from the loonies of Libya and their inspiration from Don Corleone and the Mafia," he said. "It is not a happy combination."

Mr. Catto also accused the "misguided and ignorant people in the United States" who had contributed money to the IRA.

Pope Says a 'Better Era' Is Coming

COPENHAGEN (NYT) — Pope John Paul II said Wednesday that growing awareness of planetary interdependence was creating the conditions for birth of "a new and better era."

"Some people may hesitate to expect too much hope or to be overly optimistic about the future," he said. "Yet many will agree that the world is living through a moment of extraordinary awakening."

The pope, who is visiting Denmark as part of a tour of five Nordic countries, made no reference to events in any specific part of the world, noting that "the opportunity I speak of is not something clearly definable. It is more like the confluence of many complex global developments in the fields of science and technology, in the economic world, in the growing political maturity of peoples and in the formation of world public opinion."

Kabul Reports 560 Guerrillas Killed

KABUL (Reuters) — The Soviet-backed government in Kabul said Wednesday that at least 580 people had died and 246 had been wounded in a new fighting with Muslim guerrillas in several parts of Afghanistan.

A government spokesman said 560 guerrillas were killed and 215 wounded in air strikes and heavy artillery bombardment by government forces against rebel positions around the eastern cities of Jalalabad and Khost in 14 hours.

He said 20 people were killed and 31 wounded in guerrilla rocket attacks against five cities, including the capital, as well as Kandahar, Herat, Jalalabad and Khost. The spokesman said guerrillas fired 128 rockets into the southern city of Kandahar on Tuesday, killing 10 civilians and wounding 8.

For the Record

Adnan Khashoggi, the Saudi businessman, has decided to fight extradition to the United States, where he is wanted on charges of racketeering. Swiss officials said Wednesday, Mr. Khashoggi, a middleman in the Iran-contra scandal, was arrested April 18 at U.S. request.

Bettino Craxi, leader of Italy's Socialist Party, on Wednesday ruled out the formation of a new government before the June 18 European parliamentary elections. The government of Ciriaco De Mita, a Christian Democrat, resigned three weeks ago.

Prime Minister Bob Hawke of Australia will visit Britain from June 20 to 24, it was announced Wednesday. It will be the first visit to Britain by an Australian head of government since 1977.

TRAVEL UPDATE

Lille, Maastricht, and Strasbourg will be linked directly to New York by Air France beginning Oct. 30. Flights will leave Maastricht for New York, with a stop in Lyon, twice a week. A second line between Strasbourg and New York, with a stop in Lille, will leave once a week until the beginning of January, when it will leave twice a week. The flights will be on Airbus A310-300 planes.

Nigeria Airways will get back two aircraft seized in France over a \$20-million debt, an official said Wednesday. One of the two Airbus jets has already returned to Lagos following the government's payment of \$14.5 million to Sogema, a French maintenance company, which obtained a court order to seize the planes until the service debt was paid.

Austria will have heavy trucks at night from all transit roads, despite a plea by the European Community against unilateral action. Concerned over pollution and noise from trucks, Austria said last week that it would ban trucks of more than 7.5 tons from transit highways.

WEATHER

EUROPE				ASIA			
City	High	Low	Clouds	City	High	Low	Clouds
Amsterdam	64	48	C	Bangkok	84	72	C
Antwerp	62	46	C	Beijing	82	68	C
Berlin	60	44	C	Calcutta	80	66	C
Bombay	82	70	C	Chongqing	80	66	C
Brussels	60	44	C	Colombo	80	66	C
Copenhagen	58	42	C	Dacca	80	66	C
Dublin	56	40	C	Delhi	80	66	C
Frankfurt	58	42	C	Guangzhou	80	66	C
Geneva	56	40	C	Hankow	80	66	C
Hamburg	56	40	C	Harbin	80	66	C
London	54	38	C	Hebei	80	66	C
Luxembourg	54	38	C	Hong Kong	80	66	C
Maastricht	54	38	C	Kobe	80	66	C
Moscow	52	36	C	Manila	80	66	C
Nuremberg	52	36	C	Osaka	80	66	C
Paris	52	36	C	Seoul	80	66	C
Prague	50	34	C	Singapore	80	66	C
Rome	50	34	C	Taipei	80	66	C
Stockholm	48	32	C	Tokyo	80	66	C
Vienna	48	32	C				
Zurich	48	32	C				

Syria Suspects Iraq Is Rearming Aoun

By Jonathan C. Randal

Washington Post Service

DAMASCUS — The failure last month by the leaders of Arab nations to make headway in resolving Lebanon's civil war has raised new concerns for Syria and its Muslim allies in Beirut that Iraq is likely to escalate its arms supplies to Lebanese Christians and thus provoke new violence there.

Last week, Lebanese allies of President Hafez Assad of Syria, including former President Suleiman Frangieh and a deputy leader, Walid Jumblatt, went to Damascus to hear predictions of growing Iraqi support for Lebanese Christians after Baghdad failed to isolate Mr. Assad at the Arab meeting in Casablanca.

Syria's information minister, Mohammed Salama, reflecting long-standing ill feelings between the Baghdad and Damascus wings of the Ba'ath Arab Socialist Party, said, "We expect any bad behavior from Iraqi President Saddam Hussein that you can think of." The Iraqi leader, he added, "will do his best to keep Syria busy."

Baghdad and Damascus had a record of mutual violence long before Iraq's current proxy war against Syria in Lebanon. Aside from a 1978-1979 period of reconciliation, Iraq and Syria for two decades have killed each other's diplomats, planted car bombs and financed mutual subversion.

Muslim fundamentalists who threatened Mr. Assad in the late 1970s and early 1980s were financed and armed by Iraq. Early in the Iran-Iraq war, dissident Iraqi Kurds received money and support from Syria to help Iran by closing a pipeline carrying Iraqi crude oil to the Mediterranean.

Negotiators at the Casablanca meeting pleased Mr. Assad by dropping calls for a Syrian troop withdrawal or an Arab peace-keeping force in Lebanon. But some nations in the region recently have made it clear that they intend to

keep international attention focused on General Michel Aoun's fight against Syrian occupation of Lebanon.

Israel called an emergency cabinet session and charged that Syrian troop reinforcements had crossed the border. But Israel has been content to let Iraq play the activist anti-Syrian role with the Lebanese Christians. And Egypt accused Syria of tolerating the arrival of thousands of Iranian Revolutionary Guards in Lebanon.

The Syrians believe that such developments undermine Mr. Assad's success in avoiding the diplomatic isolation that Iraq has tried to impose on Syria.

But Syria's diplomatic troubles in Lebanon are not over; its role there will be taken up again by the Arab League in six months. Syria must also take account of the watchdog committee of the leaders of Algeria, Morocco and Saudi Arabia that was set up by the league. The most important member for financially strapped Syria is King Fahd of Saudi Arabia, who, diplomats said, has withheld this year's \$500 million in aid that Syria has received annually for a decade.

Mr. Assad has been able to stave off diplomatic isolation on Lebanon only with major concessions: He dropped his opposition to Egypt's re-entry into the league a decade after its separate peace with Israel and he tolerated Yasser Arafat's attempt at negotiating a settlement between the Palestine Liberation Organization and Israel.

Mr. Salama said that Syria had "no intention" of opening a land assault on General Aoun that would refocus international attention on Lebanon.

But Syria shows no signs of engaging in serious peace talks with the general. It hopes that, Mr. Salama said, other Lebanese Christians "will kick him out" after recognizing the futility of his cause.

Crash in Suriname Kills 168 of 182 on Jetliner

The Associated Press

PARAMARIBO, Suriname — A Suriname Airways jetliner flying from the Netherlands crashed in fog and broke apart Wednesday near the capital, killing 168 of the 182 people aboard, the airline said.

The Suriname News Agency said that three of the nation's top military officers were on the flight and presumed dead. It identified them as Major Lew Yen Tai, army chief of staff; Major Eddy Djoe, air force commander; Captain Armand Salomons, army chief of operations.

The agency said that the DC-8 went down about 3 kilometers (less than two miles) from Zanderij International Airport. An airline spokesman in Amsterdam, Robbi Lachmising, said the airport has no radar.

Flight FY764, which left Amsterdam late Tuesday, tried three times to land "extremely bad" weather to land at Zanderij, which is 24 kilometers south of Paramaribo, another airline spokesman in Amsterdam

said. On the third attempt the jet struck a treetop, he said.

The plane had been carrying 173 passengers and a crew of nine, Mr. Lachmising said, adding that 168 people died and the 14 survivors were taken to a hospital in Paramaribo. Their identities and conditions were not immediately known.

A passenger list was not made available, but an airline spokesman said that most of those aboard were Surinamese living in the Netherlands.

An airline spokesman said that the 20-year-old plane, leased from an unidentified American company, had been extensively overhauled in Luxembourg about 10 days earlier.

When the plane crashed, Mr. Lachmising said, it broke into four pieces but did not explode and no fire broke out. But radio reports quoted nearby residents as saying they heard an explosion shortly before the plane hit the ground.



In a Day of Violence, a Gaza Home Is Blown Up by Israelis

The house where Bassam Shaaban Makuss and 12 in his family lived was sent flying in splinters Wednesday after he was convicted of leading youths who threw gasoline bombs at Israeli patrols. The home of another Gaza youth was bulldozed. Elsewhere, settlers and soldiers in the West Bank opened fire on a carload of Palestinians after the driver allegedly tried to run down a settler. Three in the car, which went off the road, were hurt. Also, a Palestinian accused of collaboration was found hanging from a pole, dead of ax blows. Israel said its troops killed two gunmen Tuesday in a sweep of south Lebanon.

Bhutto, in U.S., Rules Out Nuclear Bomb

By David B. Ottaway

Washington Post Service

WASHINGTON — Prime Minister Benazir Bhutto of Pakistan says she assured President George Bush and the director of the Central Intelligence Agency, William H. Webster, that Pakistan does not intend to build a bomb that could jeopardize its relations with Washington.

"We assured him that we were not interested in making a nuclear device and that we would not make such a device," she said Tuesday, apparently referring to Mr. Bush, after meeting with the president, Mr. Webster, Secretary of State James A. Baker 3d and other administration officials.

In an address to Congress on Wednesday, Miss Bhutto repeated her theme, saying Pakistan did not possess a nuclear weapon, would not build one and "will not provoke a nuclear arms race" on the Indian subcontinent. The Associated Press reported from Washington.

[She added that her country was prepared to conclude a nuclear test ban with neighbors in South Asia. She mentioned no other country. Pakistan's regional rival, India, has resisted such proposals unless they

include China, which already has nuclear weapons.

[Earlier, a senior administration official said the United States had agreed to sell Pakistan 60 more F-16 fighter jets, meeting a long-standing Pakistani request. The F-16 sale reportedly is worth about \$1.4 billion.]

Mr. Webster warned last month of a pending nuclear arms race between Pakistan and India, saying that there were "indicators" that India was interested in obtaining nuclear weapons capability and that Pakistan was "clearly" engaged in developing its own nuclear capability.

A senior administration official said that Mr. Bush had reminded Miss Bhutto that for Pakistan to continue receiving U.S. military and economic aid, U.S. law requires the president to certify to Congress once a year that Pakistan does not possess a nuclear device.

Policy on Afghanes Agreed
Bernard Weinraub of The New York Times reported.

Mr. Bush and Miss Bhutto have agreed that the United States will continue siding the Afghan guerrilla movement while searching for a political settlement to end the conflict in Afghanistan.

Miss Bhutto said she had told Mr. Bush in their meeting that the United States should "stay the course" and not alter its current policies.

Although the Bush administration doubts that the guerrillas can topple the Afghan government, officials said the two leaders concurred that the United States would continue long-standing efforts to arm the guerrillas and seek an end to Major General Najib's rule.

At the same time, Mr. Bush and Miss Bhutto agreed to press for political solutions to the conflict.

"Prime Minister Bhutto and I discussed ways to encourage a political solution in Afghanistan that will lead to a nonaligned, representative government willing to live in peace with its neighbors, to replace the illegitimate regime in Kabul," Mr. Bush said.

The guerrillas' military campaign against the Najib regime has been stalemated since the withdrawal of the last Soviet troops in February.

Although Mr. Bush said the withdrawal of Soviet forces had proved the effectiveness of American and Pakistani support for the Afghan guerrillas, he added, "We

agreed, however, that the job is not done."

Rebel Reaction Is Cool

Afghan rebels reacted coolly Wednesday to expressions of support by Mr. Bush and Miss Bhutto for a political solution in Afghanistan. The Associated Press reported from Islamabad.

"The mujahidin will not accept any political solution forced on them," said Qariur Rehman Saeed, a spokesman of the hard-line Hizb-e-Islami guerrilla faction. He was responding to reports that the United States might cut military aid to the Pakistan-based rebels as an incentive for negotiations with other parties to the Afghan conflict.

"Even if the aid is cut off, we will continue our struggle," said Azim Nasser-Zia of the more moderate National Islamic Front of Afghanistan.

"But the present policy has to change," Mr. Nasser-Zia said. "It has cost too many lives." About 1.5 million Afghans are believed to have died since the ruling People's Democratic Party of Afghanistan seized power in a 1978 military coup that set off the Muslim insurgency.

Transkei Tribe Picks Chief Tied to ANC

By Allister Sparks

Washington Post Service

JOHANNESBURG — In a development that could have far-reaching consequences for black politics in South Africa, a young student brought up under the wing of the outlawed African National Congress has become the paramount chief of one of the most important black tribes in the country.

The student, Buyelekhaya Dalindyebo, 22, who is at school in Lusaka, Zambia, where the ANC has its exile headquarters, has been named king of the Tembu tribe.

The leader of the ANC, Nelson Mandela, who is serving the 25th

year of a life sentence, is a member of the Tembu royal family. Another member of the tribe who visited Mr. Mandela in prison recently said that the ANC leader was very excited about the appointment.

The selection of Buyelekhaya Dalindyebo by the tribal council last month ended a two-year power struggle for the chieftaincy and toppled a pretender to the throne. The pretender was the last in a line of Tembu royals whose pro-government stance kept the tribe in accordance with Pretoria's apartheid policy of racial separation.

Many African leaders have supported the policy because it increases their power and the traditional social systems they represent against the challenge of modern, African nationalist movements like the ANC.

The government has sought in this way to build an alternative black political power structure around the traditional leaders that could fill the vacuum created by its banning of nationalist movements, whose demand for equal voting rights would end white-minority rule.

By giving the traditional leaders power in small tribal homelands, which then were offered nominal independence, the government was

able to encourage their support and use them to carry out a policy of racial partition that it claimed justified the retention of white rule over most of South Africa.

But not all traditional leaders have gone along with this deal. Some, like Mr. Mandela, opposed it from the outset. Others who accepted it initially appear to have grown concerned about diminished support in their communities since the mass uprisings of the mid-1980s, which radicalized large numbers of blacks. The concerned leaders are trying to define a position more critical of the government.

In this changing situation, Buyelekhaya Dalindyebo's appointment as paramount chief of the Tembu could lead to a significant shift in the politics of the most important black "homeland" of South Africa, Transkei, which was the first to be granted nominal independence, in 1976.

There are four paramount chiefs in Transkei and all hold powerful positions in the administration of the "homeland" as well as over their own tribes. Moreover, Buyelekhaya Dalindyebo appears to enjoy the support of the military leader of Transkei, Major General Bantu Holomisa.

Little is known of the young

king's political views, but his links to the ANC have led to a widespread assumption in South Africa that he is sympathetic to the nationalist movement.

Officials in Umtata, Transkei, said it was still unclear when the new king would return. The tribal council, deciding he should complete his schooling in Lusaka, named a relative, Mdamjwa Mthara, to serve as regent.

The Tembu royal house has long reflected the complex rivalries of black South African politics. On the one hand there was Mr. Mandela, the principal opponent of apartheid, and on the other Kaiser Matanzima, who became its principal black collaborator.

In between was the paramount chief, Sabata Dalindyebo, the new king's father, who resisted Mr. Matanzima's plans to accept Pretoria's offer of nominal independence for Transkei.

At the height of this rivalry, Chief Matanzima charged the monarch, his cousin, with failing to show him due respect as president of Transkei.

Chief Sabata fled with his son to escape arrest and sought refuge with the ANC. He was made an "elder" of the organization and died in 1986.

Baccarat
Crystal gifts & tableware
30 bis, Rue de Paradis
75018 PARIS
(near the airport)
Tel: 47 70 64 30
When in Paris...
visit our Museum
and sales floor
Open Monday - Friday
9 a.m. to 6 p.m.
Saturday 10-12 a.m., 2-5 p.m.
Brochures on request

FOR BANK GUARANTEES
Letters of intent,
standby letters of credit etc.
Viable loans & venture capital.
Shipping loans a specialty.
Contact:
HERALDMARK LTD
16 Sherrington, St. John's Wood Park,
London NW8 5QZ.
Fax 01-586-6441. Telex 729746
Tel 01-586-4179.

FLORIDA LOTTO 6/49 JACKPOT
For June 3, 1989
\$15,000,000.00
Winning Numbers
30 28 35 12 47 8
For information write:
U.S. Int'l Wides, P.O. Box 7525
1118 ZG Schiphol Centrum
The Netherlands.

MICHEL SWISS
PERFUMES COSMETICS
NOVELTIES GIFTS
Top export discounts!
Hours
Monday to Saturday 9am, 5:30pm
closed on Sunday
16, RUE DE LA PAIX, PARIS
Phone: (01 42 61 61 71

U.S. Invest For Possible<

Author of Personal Attack on House Speaker Quits

The Associated Press
WASHINGTON — The author of a Republican memorandum that said the new speaker of the House of Representatives, Thomas S. Foley, was coming "out of the liberal closet" and that equated his voting record with that of a homosexual congressman resigned Wednesday.

The writer of the memo, Mark Goodin, resigned as communications director for the Republican National Committee after its chairman, Lee Atwater, called Mr. Foley to apologize for the attack.

"I deeply regret my decision on the Foley memorandum," Mr. Goodin said in his resignation letter. "At no time did I ever intend to damage anyone's reputation. The purpose of the memorandum has been misconstrued, and in that regard I have no one to blame but myself." He said the memo was

sent out without the chairman's "knowledge or approval."

Mr. Foley, a Washington Democrat, said Mr. Atwater phoned him late Tuesday and was "deeply apologetic for any inferences of personal character."

"He repudiated the statement and apologized. I accepted that. It's regrettable and entirely untrue, of course. I think the matter is now at an end."

He said Mr. Atwater promised such attacks would not be repeated.

The House Republican leader, Robert H. Michel of Illinois, disavowed the attack on Tuesday and called President George Bush on Wednesday to voice concern.

■ **Foley Appeal for Calm**

Michael Oakes of the New York Times reported earlier from Washington: The memorandum was sent to

about 200 Republicans on Tuesday, shortly before Mr. Foley was sworn in as the 49th speaker of the House and appealed for an end to partisan warfare in the chamber.

As he was taking his place as the country's highest-ranking Democrat, the Republican committee was circulating the memorandum that called him an "ultraliberal" and a "closet liberal."

It said Mr. Foley was coming "out of the liberal closet" and compared his voting record to that of Barney Frank, a Massachusetts Democrat who is openly homosexual. It seemed to be an attempt to raise questions about Mr. Foley's sexual orientation.

In an unusual rebuttal to his party's tactics, Mr. Michel, the House Republican leader, expressed dismay, saying that some Republican staff members dealt in excess. But then denounced the Demo-

crats as "kings of the hill" who had become arrogant and repressive after 35 years of controlling the House.

Members of Congress, speaking privately with Mr. Foley, have been told by him that he is heterosexual. He has been married for 20 years.

Many Democrats have said the Republicans are behind efforts to spread rumors about the personal lives and finances of the Democratic leadership that have no basis in fact. Democrats said they were hamstrung because denial and denunciation only served Republican purposes by helping to keep the rumors afloat.

Tuesday's memorandum included a list of points about Mr. Foley; it said that they "might be helpful to you in setting the record straight in your dealings with the media."

Mr. Foley, who as speaker will be second in line of presidential succession after Vice President

Dan Quayle, said that he had no time to worry about partisan attacks and appealed for peace in a House torn by the strains of ethics charges that unseated his predecessor, Jim Wright of Texas.

"I am a proud Democrat," he said, "but I appeal specifically to our friends on the Republican side that we should come together and put away bitterness and division and hostility."

"What I'm concerned about now is restoring the House to a measure of cooperation and conciliation between the two parties."

But his Democratic colleagues were incensed, saying that Republicans were trying to smear their new leader and promote combat rather than conciliation. "Those of us who had hoped of a peaceful resolution now have real doubts," said Representative Charles E. Schumer of New York.

Supreme Court Ruling Lengthens Reagan Shadow

By Linda Greenhouse
New York Times Service

WASHINGTON — The Supreme Court's 5-to-4 decision in a major employment discrimination case this week has dispelled much of any remaining doubt about whether former President Ronald Reagan accomplished his goal of moving the court in a more conservative direction on civil rights.

The ruling placed new and, in the view of some civil rights lawyers, nearly insurmountable obstacles in the path of workers seeking to bring a common type of employment discrimination lawsuit under the Civil Rights Act of 1964.

It followed by four months a decision invalidating a minority set-aside program for public-works contracting in Richmond, Virginia. That ruling cast constitutional doubt on an array of governmental affirmative action programs.

Civil rights advocates have lost their share of cases over the years. But these two decisions together, one an interpretation of a crucial statute and the other an application of the equal protection guarantee under the 14th Amendment, mark a kind of watershed.

No matter what else the Supreme Court does in the remaining months of its 1988-89 term — and there are several other civil rights cases pending — this is likely to be seen

as the period in which the Reagan effort came to fruition.

President Reagan's appointees are Sandra Day O'Connor, who joined the court in his first year in office; Anthony M. Kennedy, who arrived in his last; Antonin Scalia, and William H. Rehnquist, whom

NEWS ANALYSIS

Mr. Reagan elevated to chief justice. They now anchor a solid conservative majority with the votes and evidently the desire to redefine the statutory and constitutional framework of civil rights law.

They are joined consistently by Byron R. White, a 77-year veteran of the court, who wrote the opinion presented Monday on the Civil Rights Act.

There may be no more telling way to measure the changes than to place side-by-side two Supreme Court opinions: *Wards Cove Packing vs. Atonio*, the employment discrimination case the court decided Monday, and *Griggs vs. Duke Power Co.*, the 18-year-old employment discrimination case in which the majority on Monday purported to adhere while in fact repudiating its essential structure.

Griggs vs. Duke Power provided the ground rules by which the statute it interpreted, Title VII of the Civil Rights Act of 1964, became an engine of demographic change in the workplace.

In U.S., Many Workers Found to Doze on Job

By Jim Schachter
Los Angeles Times Service

LOS ANGELES — More than 50 percent of American industrial employees regularly fall asleep at work, leading to safety risks and poor performance, according to the largest U.S. study ever conducted on the subject.

Three California researchers found that the brain of alertness problems was borne by shift workers — electric utility operators, oil and chemical plant employees and factory workers who rotate through day, evening and night shifts at plants that are open around the clock.

In their study of 7,400 workers, the authors took the nuclear industry to task for failing to make the basic changes in scheduling and work rules that research and experience have found to reduce sleepiness at work.

Like many employers, the study says, the nuclear industry has relied on over-staffing of shifts and disciplining of sleepy workers to combat job fatigue. "This approach is not working," the authors say, "as evidenced by the high prevalence of sleepiness on the job."

A series of disasters and near-disasters in the last 10 years has begun to increase U.S. employers' attentiveness to the problems associated with shift work — the irregular schedules worked by 25 percent to 30 percent of American employees.

The 1979 accident at the Three Mile Island nuclear plant in Pennsylvania, the release of deadly cya-

nide at a Union Carbide plant in Bhopal, India, and, most recently, the Exxon Valdez oil spill in Alaska all occurred in the late night.

But the Nuclear Regulatory Commission has not spelled out the steps utilities should take to achieve greater safety and alertness. And the principal author of the study said that only a few nuclear plants had begun experimenting with nap breaks, adjusted work schedules and specialized training for shift workers — techniques that could lessen the likelihood that employees in critical tasks would doze off.

"If we have a problem, let's try to look at some logical solutions," said the researcher, Richard M. Coleman, a clinical assistant professor at the Sleep Disorders Center of the School of Medicine at Stanford University and president of a California shift-work consulting concern.

The other authors of the study are William C. Dement, a behavioral physician and physiologist who directs the Stanford sleep center, and James B. Dillingham, a research associate at Mr. Coleman's firm.

Schedules widely used in U.S. industry — rotating shifts with seven consecutive work days before time off — were associated with the highest levels of sleepiness and the worst job performance and safety, the study said. Schedules with no rotation through shifts or less frequent rotation, along with time off after five days of work, resulted in the greatest alertness.



AIDS DEMONSTRATIONS IN MONTREAL — Promoting anonymous testing, activists picket the 5th International AIDS Conference. The U.S. assistant health secretary, James O. Mason, said AIDS patients and those infected with the virus would soon be urged to use aerosol pentamidine to protect against pneumocystis pneumonia, a leading killer of those with AIDS. The drug, awaiting approval in the United States, has been available there on the black market.

U.S. Investigates Atomic Arms Plant For Possible Pollution Violations

By David Johnston
New York Times Service

WASHINGTON — The Justice Department has announced a broad criminal investigation into possible violations of U.S. environmental laws at the Rocky Flats Plant in Colorado, which processes plutonium for nuclear warheads.

The investigation centers on whether employees falsified documents submitted to state and federal authorities showing that the plant was complying with clean air and water laws, department officials said, and whether employees discharged pollutants without a permit and concealed contamination.

There are also allegations of illegal treatment, storage and disposal of hazardous and radioactive waste, the officials said.

Seventy agents from the Federal Bureau of Investigation as well as investigators from the Energy Department and Environmental Protection Agency began to seize records Tuesday morning at Rocky Flats and obtain air, water and soil samples.

Agents also began executing

search warrants at the Energy Department's operations office in Albuquerque, New Mexico, which supervises the Rocky Flats Plant.

"It is unprecedented to have a battalion of FBI agents to descend on a federal facility to conduct an investigation of alleged violations of important environmental laws," said Representative David E. Skaggs, a Colorado Democrat whose district includes the plant.

"The only implication that comes out of an action of this scale is that federal authorities were concerned about the destruction of evidence."

The inquiry thrust the Justice Department into a conflict between the Energy Department and environmental agencies over who should be blamed for the pollution problems and how quickly cleanup should proceed.

Rocky Flats, 18 miles (29 kilometers) northwest of Denver, is managed by Rockwell International Corp. under contract to the Energy Department, and the officials said investigators were examining actions of both government and Rockwell employees.

Last year the department identi-

fied the plant as the most environmentally hazardous site in the nuclear weapons industry because toxic chemicals contaminated an underground reservoir and threatened nearby city water supplies.

Admiral James D. Watkins, the energy secretary, said that part of the plant would be shut down as a result of the investigation.

In a statement, Admiral Watkins said he was suspending "those operations for which safety could be adversely affected by the presence and functioning of the Department of Justice investigating team."

"I have stated repeatedly," he said, "it is my intention to operate the Department of Energy facilities fully in compliance with all pertinent statutes and in such a manner that the primary concern for environment, health and safety of employees and public is satisfied."

The plant employs about 5,300 workers. Secretary Watkins said he had named a new manager for the plant and was sending up to 20 people to the plant to monitor environmental, safety and health matters, Mr. Skaggs said.

50 Warheads Lie on Seabed, Study Asserts

By Andrew Rosenthal
New York Times Service

WASHINGTON — Accidents involving U.S. and Soviet ships, bombs and rockets have left at least 50 warheads and nine nuclear reactors scattered on the ocean floors since 1956, according to a study of naval accidents.

So far, the United States has acknowledged that radioactive material leaked into the ocean from only a hydrogen bomb dropped accidentally into the ocean south of Japan in 1965 by an aircraft carrier.

The publishers of the study, the Greenpeace environmental group and the Institute for Policy Studies,

a liberal research organization based in Washington, said it was likely that other lost nuclear bombs and reactors had released radiation and that more contamination was "inevitable" than sunken bombs and reactors deteriorated.

The study, issued Tuesday, details 1,276 nuclear and nonnuclear accidents involving the world's navies since World War II and lists some data on another 1,000 accidents, a total that the report said amounted to one major peacetime accident per week.

Data on the American accidents came largely from documents ob-

tained through the Freedom of Information Act, which included American intelligence assessments of Soviet naval accidents.

Greenpeace is using the report in its campaign against the deployment of nuclear weapons at sea and the use of nuclear propulsion for ships.

A spokesman for the navy disputed the conclusions. "There is no aspect of navy operations that gets more emphasis, more attention, than the safety, training, operational procedures and material condition surrounding Navy nuclear weapons and reactors," the navy statement said.

Prefer King Size Bed.

At the Hyatt Regency Dubai, we'll put you in your favourite room. The one you helped design.

On your first visit to our hotel in Dubai, our manager will send you a questionnaire. In short, he's inviting you to design your own room.

Would you prefer a king-sized bed, and how many pillows and blankets would you like? Would you like your room at the top, or closer to terra firma? Would you prefer a sea view? Next time you stay with us, we'll make sure the room you asked for is the room you get.

You'll find every Hyatt has thoughtful touches. In London and Cologne, for example, the guest rooms are especially generous. As is your favourite room in Dubai.

THE HYATT TOUCH

HYATT HOTELS & RESORTS

For reservations at any of 50 Hyatt International Hotels or 100 Hyatt Hotels in North America, call Hyatt toll free, or your travel agent. Hotels in Europe, Africa and the Middle East: BIRMINGHAM (opening mid-1990) • BUDAPEST • CASABLANCA • COLOGNE • DELHI • DUBAI • GIZAN • JEDDAH • LONDON • MONTREUX • RABAT • RIYADH • YANBU.

All Pan Am Clipper Class travellers face a tough decision. Window or aisle.



Then all you have to do is sit back and relax in one of our wide, six across Clipper Class seats. Of course, you can choose Pan Am's incomparable First Class, with its gourmet cuisine, personal service and luxurious Sleeperette® seats. Either way, we offer you more once you're in New York. We'll treat you royally with free, door-to-door limousine service to and from Manhattan. And exclusive use of our private terminal where luggage, check-in and all of your travel needs are handled for you, while



you relax in our elegant First and Clipper Class Lounge. We'll also help you with convenient Pan Am connections to over 60 cities in the U.S., Caribbean and Latin America. No matter how you fly Pan Am, no matter what class of service you choose, Pan Am wants to make business travel a pleasure. So call Pan Am or your Travel Agent and make arrangements to do business with us. It'll be one of the best decisions you ever made.



PAN AM
Number one across the Atlantic.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Poles Defeat the Party

Not Yet a Free Country

An astonishing thing is happening in Poland. For the first time, a ruling Communist party submitted itself to electoral judgment. It did so in gingerly fashion under terms worked out at the April "roundtable" with Solidarity. In order to shift the center of gravity of Polish politics to a democratic arena — a new two-chamber parliament — Solidarity agreed to free the elections under conditions in order to ensure that the party, which everyone realized could not hope to compete on a fair and equal basis, would feel that it was adequately represented.

Not even Solidarity, however, correctly read the popular mood. Opposition candidates virtually swept the 100-seat Senate. All but one of Solidarity's 161 allotted candidates got into the 460-seat Assembly (Sejm), but none of 35 top official people who ran unopposed on a "national list" survived beyond the first round. The vote came as Chinese tanks slaughtered protesters in Beijing; stunning twin repudiations of the legitimacy of Communist rule.

If Poland were a free country, the government would now resign and Solidarity would take over the power it has richly

earned. But Poland is locked by its own military and security apparatus and by its position as a satellite of the Soviet empire into a system that makes no room for such a transfer of power.

The government insists that it wants to stay on the political track it accepted in the April roundtable. Its first response was to invite Solidarity to join it in governing. Clearly-headed in victory, however, Solidarity refused. As an opposition formally seated in parliament, it is ready to look for a responsible role in the confused new circumstances of Poland's governance but not to become part of a government under the existing system. For the system to change, the party must not simply go through the motions of elections but must also accept its own removal from the ultimate levers of power. For this to happen, the Soviet Union must go along.

Some Poles fear that a party faction controlling elements of the police and the military, perhaps in cahoots with Moscow or to force Moscow's hand, could react as a "wounded beast." No Communist party has yet voluntarily surrendered power to the people. It is a tremendously exciting but dangerous moment that will test the political skills and the patriotism of all Poles and put heavy new demands on the Kremlin as well.

— THE WASHINGTON POST.

Now to Work Together

Credit Poland's Communist authorities with an honest count in Sunday's election. The results have transformed the Solidarity union into the East bloc's first elected parliamentary opposition party. Now Communists and Solidarity will need to learn how to work together, even as they continue to challenge each other. How well they manage could determine the pace of change elsewhere in Eastern Europe.

First moves by the dazed adversaries are encouraging. The ruling party is urging Solidarity to join formally in a governing coalition; the offer is being politely rebuffed. Solidarity is a fledgling opposition in a half-free society and cannot be expected to restrict its independence in that way. The more realistic question is whether Solidarity will give parliamentary support to unpopular but vital economic reforms.

The Communists can reasonably call on the union for help, based on the roundtable agreements in April that brought Sunday's vote. Solidarity won a legal political role by agreeing to cooperate on economic reform. That does not stop it from bargaining to protect the interests of its constituents. But it does rule out obstructionism.

Forbearance will be needed from the regime as well. It took Poland's stone-faced Communists eight years to move from repression and martial law to acceptance of the

union's right to exist. Faced with a crumbling economy and a rebellious population, the party leadership turned to Solidarity and its leader, Lech Walesa, only in desperation. Even then it had to overcome vigorous resistance from its own apparatchiks.

The complex electoral arrangement allocated 239 seats, or 65 percent, in a lower house to the Communist bloc. But voters had the right to cross out candidates' names, so even many unopposed Communist candidates lost when a majority rejected them. A new 100-member Senate, with veto power, was chosen by an open vote, and Solidarity won an overwhelming majority of the seats.

The election thus establishes a forum in which regime and union can negotiate the reforms needed to revive Poland's crumbling economy. The command economy has failed, and the party's privileged position rouses justifiable anger. But there are also other elements in Poland's crisis: wildcat strikes and Polish workers' addition to wage and price subsidies. Solidarity must confront more than communism's failures; it must resist demagoguery from its own grass roots.

What is hopeful and remarkable is that the familiar old obstacles to change have shrunk. Nobody really fears anymore that Moscow will intervene against liberalizing experiments. And Solidarity's growing political sophistication bodes well for a freer future in all Eastern Europe.

— THE NEW YORK TIMES.

Italy Needs a Leader

After four dozen governments in less than many years, the recent fall of Prime Minister Ciriaco De Mita may not be the same gum old story. Mr. De Mita was the victim first of factional plotting in his own Christian Democratic Party, then of a stab in the back from his main partner in the five-party coalition. The man who delivered the stab, Bettino Craxi of the Socialist Party, knew that Mr. De Mita had been a doomed prime minister since the leadership of the Christian Democrats was taken away from him earlier this year. Mr. Craxi's delivery of the coup de grace was designed to further a plan for giving Italy better government. It is ruthless stuff, but it could conceivably be good for the country.

The Craxi plan is to do in Italy what François Mitterrand did in the 1970s in France. He wants to maneuver his Socialists into the leadership of an alliance of the left in which he would have the Communist Party firmly under democratic control. This new left might then be an alternative to the string of Christian Democrat-dominated governments that have failed to give Italy clear-cut government. Above all, they have failed to get a grip on the world's worst budget deficit.

The straight road to fulfillment of the Craxi plan — to get his Socialists winning more votes than the Communists — has not yet worked. The Socialist vote has been slow to grow because Italy's Communists are closer to votes. So Mr. Craxi is trying a side road, suggesting that Italy's president should in future be elected directly instead of by Parliament. This would create a new focus of authority in the executive side of government. Not accidentally, it might also make Mr. Craxi the first strong new president.

For that reason, the Christian Democrats are not keen on the idea. Mr. Craxi is therefore trying to show them that Christian Democrat-led coalitions depend on his goodwill. The demonstration is taking place at the expense of Mr. De Mita.

The country is in urgent need of a stronger system of government. The budget deficit has so far been financed by savings trapped inside Italy by capital controls. When capital controls throughout the European Community are scrapped next year, those savings will be free to fly out of Italy. If Italy is to avoid financial crisis it needs a leader who will get to grips with the deficit.

INTERNATIONAL HERALD TRIBUNE.

Other Comment

Burma's Peoples Need Politics

The Burmese military regime is out to crush the Karen insurgency and sweep the forests clean of rebel infestation, the better to launch a raft of logging ventures along the border with Thailand. Five Karen bases have already fallen. Bangkok's tacit approval of the anti-Karen campaign has been strained by the spectacle of Thai border villages being battered in the spillover of zealous Burmese troops. Now, after the Thai army chief, General Chaovalit Yongchaiyuth, gently urged negotiations, Rangoon has begun to hint at the possibility, albeit on its terms.

That is a hopeful sign, at least. Exterminating the Karen National Union will not put paid to the grievances that have fueled its four decades of rebellion. Burma's ethnic problems need a political, not military, solution. The four million Karens head a roster of minority groups that includes Shans, Chins, Mons and Kachins, all of whom have cause to resent the regime's insistence on subsuming more than 25 percent of Burma's population beneath the Burman identity.

Burma's elections are due next May. The National Unity Party, political backer of the

military ruler, General Saw Maung, claims to be poised for a hefty showing in those long-awaited polls. If so, shouldn't something have been heard by now of its political agenda for the future? It is dangerous of the general to suggest that such plans should be left to the future elected government, if the NUP is going to mount a determined effort to form that government.

The promised elections will not in themselves mark the end of the country's trauma. What must ensue is a real debate over the best blueprint for Burmese unity. The government's newly announced plan to change the country's name to Myanma, on the grounds that Burma encompasses many groups besides Burmans, is a gesture in the right direction. But surely it is now time to confront the whole question of ethnic autonomy, something even the opposition seems reluctant to get very specific about. Rangoon and Bangkok clearly see great opportunities in economic cooperation, and rightly so. It is a measure of Burma's tragedy that the pursuit of those opportunities must presuppose artillery bombardments, tension on the border and death in those teak-rich forests.

— Asiaweek (Hong Kong).

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUBNER, Publisher
JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELL, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Page
RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISON, General Manager • JUANITA CASPARI, Advertising Sales Director • KOURT HOWELL, Director, Information Systems
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 61235; Editorial, 61278; Production, 63068.
Editor for Asia: Michael Richardson, 15 Collyer Quay, Singapore 0511. Tel: 472-7168. Telex: RS5628.
Editor for Africa: Rolf Krenschmidt, 30 Gloucester Road, Hong Kong. Tel: 5-8510516. Telex: 41770.
Managing Dir. U.K.: Robin MacKichan, 63 Long Ave, London WC2. Tel: 836-4002. Telex: 262020.
Gen. Mgr. W. Germany: W. Laubach, Friedrichstr. 15, 1000 Frankfurt M. Tel: (069) 726755. Telex: 416721.
Pres. U.S.: Michael Cowley, 250 Third Ave., New York, N.Y. 10022. Tel: (212) 752-3892. Telex: 421713.
S.A. au capital de 1.200.000 F. RCS Nanterre B 732011/26. Commission Paritaire No. 61337.
© 1989, International Herald Tribune. All rights reserved. ISSN: 0294-8032.

China: Unwell and Bound to Get Worse

By Marlowe Hood

HONG KONG — China's tragedy is already great, but it is bound to become even greater. Almost any plausible scenario for the near future plunges the world's most populous country more deeply into chaos and civil strife.

With each passing day the crisis seems to slip further outside the grasp of human will and into the stream of a process with a dreadful momentum all its own. Most menacing is the seemingly systematic way in which Deng Xiaoping, the senior leader, and his lieutenants provoked bloody confrontation.

Starting with the death on April 15 of Hu Yaobang, the former party chief, Mr. Deng has spun every opportunity to reduce tension. Indeed, if the leadership had set out to alienate the people from the government, it could hardly have achieved a fuller or swifter result.

The carnage in Beijing closes out what was probably the one remaining chance to spare China massive internal war. As long as the People's Liberation Army refrained from attacking ordinary citizens, the potential remained for a relatively bloodless coup against Prime Minister Li Peng and Mr. Deng, the main objects of popular hatred. But now that men in uniform have impaled unarmed

teen-agers with bayonets, indiscriminately sprayed civilians with automatic gunfire and crushed demonstrators under their tanks, they, too, have become "the enemy."

A deeply divided civilian and military leadership has finally destroyed its bridges to a political solution. And a hostile population is poised to strike against its oppressors with a violence that could shake China to its very foundations. The battle lines are drawn.

The historical and political forces which have converged to create this deepening tragedy are also the ones which will help determine what direction it finally takes.

Most immediately, the China crisis reflects the problem of succession. When Mr. Deng emerged from the ashes of Maoism in the late 1970s, he lost no time in selecting his political heirs and defining their spheres of power. Mr. Hu, a longtime protégé, was to revamp the party. A provincial leader, Zhao Ziyang, was to oversee the revitalization of a moribund national economy.

It was Mr. Deng himself who destroyed this once promising strategy. Unable to see that his own reforms, rather than Mr. Hu's excesses as general secretary, had created the "bureaucratic" phenomena he so reviled, Mr. Deng purged Mr. Hu in December

1986. When Mr. Zhao urged restraint in dealing with student protesters, he suffered a similar fate.

Facing an incipient popular rebellion and a leadership paralyzed by factionalism, Mr. Deng resorted to the same tactic he has used in every political crisis in the last decade. He cracked down and tried to concentrate power in his own hands.

The repression, when it finally came, was brutal beyond words. But the fact that Mr. Deng has not been able to convene the long-postponed plenum of the Central Committee to formalize Mr. Zhao's disgrace shows that his power is crumbling. Whether because he is politically or physically ill, or both, he can no longer claim the title of "paramount leader." Not long ago that would have been a welcome development. At present it opens up a Pandora's box of more or less dreadful possibilities.

One of these would be the collapse of central authority and the fragmentation of China into political or military fiefdoms not unlike those which existed after the fall of the Qing dynasty in 1911. The crisis unfolding before our eyes conforms, in most

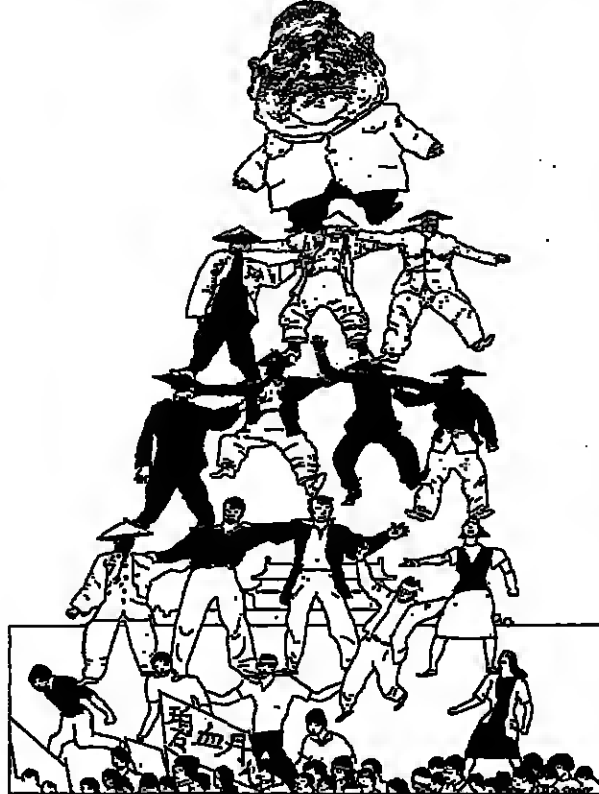
important ways, to the end-of-dynasty syndrome that has punctuated 3,000 years of Chinese history.

At least two years ago one began to see telltale signs: the state's inability to collect taxes, control bank loans or halt centrally funded capital construction; profound and rampant corruption; hundreds of incidents of peasant violence against local officials and attacks by workers on factory managers; a growing despair and rage among intellectuals.

Repeated efforts to reverse the process of disintegrating central power failed. By the middle of last year, increasingly independent provinces and regions began to deploy local militia and even regular PLA troops to control inter-province border trade and prevent precious resources from being poached by neighbors.

This benching of economic power from the center could be followed by a similar ebbing of political and military clout. Even if the octogenarians' dogfight at the top produces a clear winner, the advanced age these leaders would render any such consolidation temporary.

All eyes are now on the military.



By GRAF in Daphnia (Color), CREW Syndicate

Soviet Union: New Thinking Seems to Be the Line

By Flora Lewis

PARIS — Despite the staggering news pouring in, Viktor Karpov, the Soviet deputy foreign minister, reflects a remarkable equanimity and steadiness in Moscow's view of the changing scene.

In Paris to prepare for Mikhail Gorbachev's visit next month, Mr. Karpov discussed negotiations on arms cuts, the aftermath of Poland's elections, turmoil in China and the future of Germany in an interview that showed no signs of policy diverted by events.

He called George Bush's plan for conventional arms reduction, endorsed by NATO, a "good chance" for an agreement that "might be the most significant event in European history since World War II."

The Soviets, he said, will accept demobilization of men and destruction of equipment eliminated, verification overflights that sound near to the "open skies" idea, and "unofficial" discussions without waiting for a formal NATO proposal in September, so as to speed progress.

There are still important East-West differences in the Vienna talks. Mr. Karpov, who led the Soviet delegation in Geneva strategic arms control negotiations, went over out-

standing issues in some detail but thought they could be resolved.

Moscow wants to get rid of all short-range nuclear missiles as an "ultimate" goal, but would agree on a first step of equal levels with the United States providing all American nuclear warheads in Europe were included, he said.

Reminded that Nikita Khrushchev fell from power after ordering big cuts in the Red Army, Mr. Karpov acknowledged that "armed forces dissatisfaction" was important in the ouster. "But it was bad organization by Khrushchev," he said. "He was impulsive." That is why the plan now is to take two years, so that jobs and houses can be assured for all discharged officers.

"Our armed services understand now that the large forces are counterproductive. In the age of perestroika, we need people for industry, for agriculture, for science."

He did not think events in China would strengthen Soviet opponents of perestroika, because "we need it, we need to modernize our country."

But he was reserved in commenting on China, saying, "I don't know why

the government introduced the state of siege, the use of force. Maybe we don't know the extent of the processes going on there. Maybe the government was afraid of something more dangerous for the existence of the regime."

On Poland, Mr. Karpov was more forthcoming and quite relaxed.

He was not surprised by the election results, saying that they "represent some deep trends, the dissatisfaction of people with the policy of the government for seven to eight years already."

"The people have shown they want the government to have new attitudes to overcome faults in the economic and political systems," he said. General Jaruzelski "has declared pluralism, and the government should act in the atmosphere of pluralism."

"If the Poles decide to do it," Mr. Karpov said, Moscow would have no objection to a coalition government with Solidarity. We are not imposing any recommendations on the Polish government, to accept or not. Those times are gone. We are not going to return to them."

Nor would Moscow object to some kind of affiliation with the European

Community for Poland and other East-bloc countries, Mr. Karpov said, "if you don't include integration."

He saw no incompatibility with Poland remaining in the Warsaw Pact. "We all want closer relations. The separatism in economic development that we favored in the past should be overcome. It was a brake on our economic development."

He spoke of Soviet "integration" in the world, the word Mr. Bush used in his Coast Guard Academy speech. Both alliances should be "transformed" into new organizations, with "cooperative relations," Mr. Karpov said. The Soviets are still for dismantling them, "but not now, not today." Before that, "both alliances can consider the possibility of new relations" that are not based on the assumption of military threat.

This last remark came in answer to a question about the U.S. presence in Europe, and it gave the impression that Moscow is in no hurry for Americans to go home.

In the same vein, he spoke of "the two Germanys" as one of the realities "that we should live with."

"Let the two Germanys build their cooperation. We shouldn't impose any external decision. Let it work within the framework of the European process."

As for the Berlin Wall: "It's up to them, it's their border. We won't have any objection if the two Germanys decide their border is overzealously guarded, if they want to take measures like the Hungarians are doing on the Austrian border," where mines and barbed wire have been removed.

He laughed at the thought, but there was no hint of wanting to woo West Germany from NATO with offers of German unity.

All in all, the message Mr. Karpov brought from Moscow was steady ahead with Mr. Gorbachev's program — some tough negotiating on Soviet concepts of "equality," but eagerness for early results. The new policy marches on.

The New York Times

Free Trade Goes Out Of Fashion

By Hobart Rowen

WASHINGTON — If you're looking for an example of character, such as sticking to principle, don't bother with the United States or the OECD, which met last week in Paris. In the face of blatant protectionist action by the United States, the OECD turned the other cheek and let America get away with it.

The United States had set itself up as judge and jury when it labeled Japan under Section 301 of the new trade act as an unfair trading state. For two days, OECD ministers condemned Washington for threatening unilateral retaliation against Japan (and India and Brazil, included in a transparent gesture to make it appear that Japan was not alone).

But then all 24 OECD members, including the United States, issued a communiqué saying: "Ministers firmly reject the tendency toward unilateralism, sectoralism and managed trade which threatens the multilateral system." And all 24 pledged "to halt and reverse all such protectionist tendencies and to strengthen the open, multilateral trading system."

What a tribute to cynicism! With a straight face, U.S. Trade Representative Carla Hills claimed that the unilateral U.S. step was really aimed at benefiting the multilateral system by opening up markets.

For the OECD to allow the United States to escape with such a black-and-white rationalization is a confession of impotence. What this outrageous little roundelay meant to all 24 protectionist tendencies and to strengthen the open, multilateral trading system. What a tribute to cynicism!

The United States is adrift without a clearly defined trade strategy, except that it is moving away from free trade. Joint action with other nations is fine, but only if it fits America's parochial requirements.

The various trade advisers to President George Bush are badly split. In the debates leading to the decision to name "unfair" nations, all rejected a recommendation by a business advisory group for a full platform of "managed trade" devices. But Commerce Secretary Robert Mosbacher continues to be a major hawk, arguing for formation of cartels in high-tech areas.

Michael Boskin, chairman of the president's Council of Economic Advisors, and Richard Darman, the budget director, are the strongest free-traders. They lost out to Mr. Mosbacher and Mrs. Hills on the 301 issue, but succeeded in watering down the number of "unfair" trade practices that might have been cited.

In the end, Treasury Secretary Nicholas Brady and Secretary of State James Baker helped tip the scales on Mrs. Hills' side for political reasons: Failing to put Japan on the list, they contended, would result in even worse legislation from a Democratic Congress next year. And it might cost Republican seats in the 1990 elections.

How can the United States evolve a new trade strategy, befitting a global leader, that pays attention to economic issues ahead of politics? The first requirement, of course, would be a correction of basic at-home problems that everyone (including Mrs. Hills and Mr. Mosbacher) admits cause the lion's share of the trade deficit.

Beyond that, it cannot be argued that Japan, the "Four Tigers" in Asia, Europe, the developing countries including India and Brazil, and, yes, the United States should retain restrictive trade barriers, however small a share of trade imbalances might be chalked up to such practices.

A report by Ernest H. Preeg of the Center for Strategic and International Studies deserves attention. Mr. Preeg warns that the multilateral trade machinery in Geneva under the General Agreement on Tariffs and Trade has been overtaken by events and is losing credibility "by being weak, inadequate or irrelevant."

Mr. Preeg, with backing from an influential political-business-labor coalition that includes former Trade Representative Bill Brock and Sen. Bill Bradley, recommends a "three track" approach. It would look toward reviving GATT while supporting regional trading blocs such as the United States-Canada free trade agreement as well as a certain amount of pressure in Super 301 style.

This recognizes the unfortunate political reality that Japan-bashing is an acceptable device among Republicans as well as Democrats. But at least the Preeg-Brock-Bradley scheme would relegate unilateral American acts to the lowest, rather than the top, trade priority. Unfortunately, unilateralism is ascendant at the moment, despite American doubletalk in Paris.

The Washington Post

100, 75 AND 50 YEARS AGO

1889: Seattle 'Destroyed'

NEW YORK — This country has again to mourn a great catastrophe. Seattle, the largest city on the Puget Sound, was totally destroyed by fire last night (June 6), with losses variously estimated at from \$15,000,000 to \$40,000,000. Every newspaper office, hotel, telegraph office, railway depot and what in the city was burned. The entire water front was also consumed. Details are lacking as all the wires have been burned. A number of lives are supposed to have been lost. In one place twenty men are known to have been crushed by the fall of a large building.

1914: Anarchy in Ancona

PARIS — Two demonstrators were killed and six badly wounded at Ancona, Italy, during a scuffle between two hundred Anarchists bent on spoiling the patriotic celebrations going on there and a body of Carabinieri who were called out to disperse

them and make use of force to do so.

1939: Suicide Pact Set

MIAMI — Driven from every American port, the 925 Jews on the St. Louis are prepared to face the self-inflicted death rather than experience the horrors of German concentration camps, according to wireless dispatches received by friends and relatives of the refugees here today (June 7), as the liner definitely steered a course for Hamburg. Turned back by Cuba, unwanted by Mexico, the refugees saw their last hope of a new life vanish when they learned that President Roosevelt had refused to consider all appeals, declaring that the case would be referred to the Immigration Committee like any other routine matter. Two hundred of these modern pariahs have now decided to make their supreme protest against the civilization by which their lot has been cast by sacrificing their lives before the St. Louis comes within sight of German shores.

OPINION

From Hungary to China:
The Totalitarians Lose

By George F. Will

WASHINGTON — These are the most momentous months in mankind's history. This is so not merely because of the scale of events shaking regimes from the Danube to the China Seas, but also because of the clarity with which great ideas are clashing and historic controversies are being resolved.

Imagine, said Orwell, a boot in your face forever. His nightmare is the totalitarian's dream, the terrifying promise of permanence. What died in Tiananmen Square was the totalitarian pretense, the claim to have broken history, and all human spontaneity, to the saddle of a party's political will.

To cease the stultification of today's urbanities, go back 33 years. But first go back 2,500 years. Plato's political philosophy sought ways to prevent cycles of civic virtue from decaying into tyranny. His comprehensive prescriptions concerned education, poetry, rhetoric.

For 12 days Hungary flung its unconquered consciousness in the face of the totalitarian state.

Modernity has meant preoccupation with history as linear, not cyclical. History is a narrative infused with the drama of the possibility of progress.

The last two centuries have given birth to various historicisms — doctrines purporting to decipher laws of historical development. Theories claim to explain the course of history in terms of vast impersonal forces. These theories stipulate that history is a series of inevitabilities independent of individuals' political wills and choices.

The totalitarian impulse arises from historicism. It arises from the claim that a particular party has a monopoly on understanding and has a right to unbridled administration of insight, however brutal that might be for those who contest its monopoly of interpretation.

Paradoxically, in the 20th century, when history has accelerated giddily, the great political invention, totalitarianism, has promised regimes that would perpetuate themselves — forever. The world has been haunted by the specter of permanence, the permanent boot in the face.

In 1951, Hannah Arendt, a refugee from Hitler's Europe, published a stunning treatise, "The Origins of Totalitarianism." Her deeply troubling thesis was that ideological intoxication, combined with modern instruments of social control, might make totalitarianism an unassailable tyranny, immune to all dynamics of change from within.

Terrorism — the end of legality, random violence — is but one totalitarian instrument. Another is gray bureaucra-

cy controlling all cultural institutions. Totalitarianism aims at the conscription of the citizen's consciousness — state ownership not merely of industries but of minds. So totalitarianism requires control of the flow of information. It requires the central scripting of all public argument — which means no real argument in public.

Intermediary institutions standing between the individual and the state — schools, churches, clubs, labor unions, even families — must be pulverized or permeated by the state. The totalitarian aim is the atomization of society into a dust of individuals. This dust is to be blown around by gusts of ideology emitted by the tutelary party.

The totalitarian enterprise is the extirpation of all autonomous institutions and hence of autonomous impulses in society. Instead of Marx's withering away of the state, there would be the withering away of society through the unlimited penetration of life by the state — by politics.

In 1956, in the streets of Budapest, Miss Arendt's profoundly pessimistic theory was slain by a luminous fact. For 12 days Hungary flung its unconquered consciousness in the face of the totalitarian state. There was no civil war because the nation was not divided: Ideological indoctrination had left the public utterly unmarked.

In Budapest, as in Tiananmen Square, tanks prevailed. Miss Arendt rejoiced in the refutation of her hypothesis. In an epilogue to the 1958 edition of her book she wrote: "The voices from Eastern Europe, speaking so plainly and simply of freedom and truth, sounded like an ultimate affirmation that human nature is unchangeable, that nihilism will be futile, that even in the absence of all teaching and in the presence of overwhelming indoctrination, a yearning for freedom and truth will rise out of man's heart and mind forever."

A striking fact about Tiananmen is that there was no single acknowledged leader there. Note a stirring similarity. A Hungarian professor speaking 33 years ago: "It was unique in history that the Hungarian Revolution had no leaders. It was not organized, it was not centrally directed. The will for freedom was the moving force in every action."

What made Tiananmen Square terrifying to the totalitarians was precisely what made it insubstantial in the face of force but will make it triumphant in time: no leaders, just unconscripted spirits.

A watching world has marveled at the bravery, politeness and goodwill of the protesters, but wrongly spoken of their moderation. The watching world, like the protesters themselves, did not understand the inherent, irreducible radicalism of their categorical challenge to the totalitarian pretense. The regime understood.

Washington Post Writers Group.



LETTERS TO THE EDITOR

A Bill to Focus American Aid on the People Who Need It

Americans have given generously to victims of famines around the world and other disasters. However, U.S. government aid too often fails to reach the people most in need. Worse yet, it too often lines the pockets and fattens the hidden bank accounts of the elite. Too many American dollars are going into programs without specific goals.

A growing number of U.S. senators and representatives are supporting a bill, passed unanimously on May 24 by the House Foreign Affairs Committee, designed to refocus U.S. foreign development assistance of \$2.7 billion. The legislation, known as the Global Poverty Reduction Act, has three measurable goals for the year 2000:

- Cutting the mortality rate of children under 5 to no more than 70 deaths for every 1,000 live births.
- A female literacy rate of at least 80 percent.
- Not more than 20 percent of any country's population living in absolute poverty.

No new money is being requested — only more effective use of current funds.

By relying in the past on economic indicators only, such as GNP or per capita income levels, we have not been getting other valuable data to monitor how efficiently development aid is used to help the poorest of the poor. We need to track social indicators as well.

UNICEF, the United Nations Children's Fund, reports that 38,000 children die every day from hunger and

hunger-related disease. When child mortality is lowered, the pressure to have large families drops. It is very hard to tell a mother holding a dead child to have fewer children. She can't hear you!

The Global Poverty Reduction Act deserves the full support of the U.S. Congress. President George Bush has an opportunity to take an active world leadership role in ending the worst aspects of hunger and poverty by the turn of the century. Those would be results that the United States and other countries working together could be proud of.

KATHLEEN GORDON, Paris.

A Showman for the Finale

Now that Carlos Saul Menem has been elected, the Argentine economy can die with color, character and style.

M. R. POMICE, Düsseldorf.

Cues From a Safe Distance

Encouraged by Western media and politicians, whose words are relayed by faraway radio transmitters, people in a Communist country are led to believe that they can throw off their fetters and enjoy freedom, only to be crushed by tanks and mowed down by automatic arms. Did not exactly the same thing happen 23 years ago in Budapest?

Who is more to be blamed, rulers who try to maintain order (even if it is not our

order), or those outsiders who knowingly feed a fire they cannot control?

M. ANDRE, Vincennes, France.

No Beijing Crowds for Tibet

I regret to criticize those in the courageous struggle for liberty, but as I watched the sad events in China I could not help but wonder where the Beijing crowds were during the recent efforts of the Tibetans to gain their own freedom. It is the classic progression of the oppressor. Put down your enemies one at a time, beginning with those who have the least in common with the majority. Had the students risen with the Tibetans, things might have been different. Now that they need some friends, I wonder how the students like the feeling of being alone.

DAVID S. LA BRECHE, Paris.

The Lesson of Versailles

Regarding "Bush Needs That Old Oz Touch" (Opinion, May 20):

With deterrence based on short-range missiles, the threat of nuclear annihilation focuses on Germany. "That is the price a nation pays for starting World War II," Charles Krauthammer writes. His words show that a historic lesson vital to U.S. security has not sunk in.

After the war, West Germany was welcomed into the community of free nations on an equal footing — for good reason. The United States deliberately avoided the error made after World War

Money in Politics, You Say?
Nothing New About That

By Joe Murray

LUFKIN, Texas — My old Uncle Roy

L. Sanders told this story. At the outbreak of World War II, the Lufkin paper mill was only partially completed. What with construction materials being allotted on a priority basis for the war effort, it looked as if the mill would have to wait out the duration.

E. L. Kurth Sr., president of the mill and patriarch of Lufkin, came to Uncle

Roy remembered the conversation something like this:

"He told me he was sure he could convince the president that it was in the best interest of the country to finish the mill, if only he could get to see him. In fact, he said he was so sure of that, he'd be willing to pay \$10,000 for just 10 minutes."

"I told him I'd see what I could do and get back with him."

"At that time Texas had a new congressman by the name of Lyndon Johnson who pretty well had the ear of the president. I figured he'd be our best bet."

"And I talked with Lyndon and told him the problem. He said he thought the paper mill would be good for our area, and seeing as how Lady Bird was from just up the road at Karnack, he felt he had an obligation to do what he could."

"Then he said, 'Do you think \$8,000 would be asking too much for my trouble?' I said I'd see what I could find out and get back with him."

"All I did was wait a couple of days and then tell Lyndon, yes, \$8,000 would be no problem. Which, of course, I already knew in the first place, but sometimes you don't want to tell all you know right away."

"So, Lyndon went and talked to the White House. Mr. Kurth got his interview and, by golly, Lufkin got its paper mill completed."

"And, of course, Lyndon got his \$8,000. I never will forget what he told me at the time. 'You know, Roy,' he said, 'there ain't never enough money to go around.'"

"I knew what he meant, 'cause I knew exactly where that \$8,000 would be going: all around the state, come election time, in various precincts, to help get out the vote. And eventually, \$3 here and there, would reach people who really needed it."

"So, I never felt badly about being part of what some people might have called a bribe. Which it wasn't. It was just politics, Texas-style."

That's Uncle Roy's story, and that's all it is, a story. He's dead, Mr. Kurth's dead, Lyndon Johnson's dead, and there's nobody left who could tell me whether for sure it's the truth.

There's nobody, either, who could tell me what I've always wondered, but never asked Uncle Roy: Whether he ended up with a \$2,000 commission for his trouble.

Cox News Service.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

ROBERT F. ILLING, Porto, Portugal.

COME IN OUT OF THE COLD.

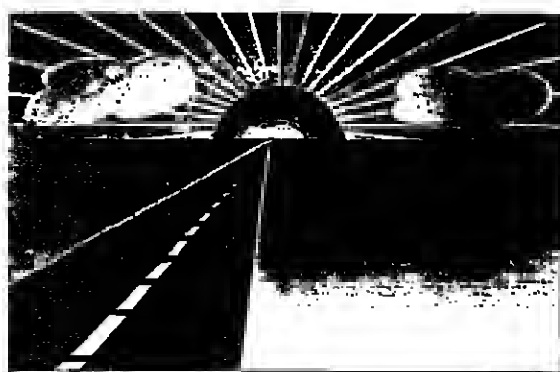
Come in out of the cold. Relax, enjoy your flight and the warmth of our company. You're on board Iberia. Where the only ice you'll come across will be the ice in your drink. Where efficiency is measured in satisfied customers.

IBERIA

WARM TO THE EXPERIENCE.

FINANCIAL INDEPENDENCE

THE KOHLER WATER GROUP
HAS COMPLETED
THE #1 ROAD TO
SUCCESS!



A STRAIGHT ROAD TO THE WORLD'S
EASIEST PASSIVE INCOME

THE MOST NOBLE BUSINESS ON
EARTH, BE IN BUSINESS FOR
YOURSELF NOT BY YOURSELF.

International Exclusives

Does Your Drinking Water Cost More Than Gasoline?

- Water is the #1 industry of the 90's! Forbes Magazine.
- You can manufacture the Highest Quality Bottled Water on Earth!
- New Patented - Earth Grounded Devices - Lowers Surface Tension of Water and Body Fluids - (We see it as additive).
- Copywritten bottled water labeling brings equipment sales!
- #1 Rated Industrial - Agricultural - Residential Products.
- Plants Can Grow 100%+ faster.
- Low Cost point of use filtration best on earth - ABS Plastics/Heat Welded - Bone Carbon/K.D.F.

(416) 469-7035 / 24 hours
(Country Exclusives)

Herald Tribune

Now Printed in Tokyo
For Same-Day Delivery to
Homes & Offices in Japan
To subscribe call our Tokyo office
(03) 201 0205
Or write: TJM, 2F, Mainichi Newspaper,
1-1-1 Hifutsubashi, Chiyoda-ku, Tokyo 100
Or Telex: 33673. Or Fax: (03) 214 4045.

CHAOS IN BEIJING: Large-scale fighting is feared among tarnished military units

China Army, Once Respected,
In Decline in Recent Years

By Lena H. Sun
Washington Post Service

WASHINGTON — The People's Liberation Army that the leadership of Beijing has deployed to crush the demonstrations in Tiananmen Square is a deeply divided institution that has been troubled in recent years by poor morale, declining social status and a much-diminished political role.

The recent crackdown that so far has resulted in the deaths of hundreds of Chinese is likely to be a further blow to the image of the army.

A Chinese military specialist, Paul Godwin, said, "For the army to be used against the people directly violates their military ethic, which is taken very seriously by the Chinese PLA."

"The image of the army as the liberation army has been effectively destroyed."

A senior fellow at the Brookings Institution and a China specialist, Harry Harding, said that "every institution has been discredited now, especially the army and the party."

"There did seem to be the belief that the people's army would never use force against the people."

Chinese army units are known to have sometimes fired on one another during the Cultural Revolution from 1966 to 1976, but those clashes did not approach the scale of the current confrontations.

Soldiers in the People's Liberation Army have been seen having a public-service role, originating in their days as a guerrilla army assembled by former senior leader,

Mao Zedong, which relied on the help and support of peasants.

But in recent years, in their effort to modernize the economy, Chinese leaders have assigned defense and the military the lowest priority of the "four modernizations" after agriculture, industry, and science and technology. Military personnel have also been removed from party posts in recent years in an effort to make the military more professional.

A professor at the University of Miami and an expert on the Chinese military, June Teufel Dreyer, said that "the military comes last on all sorts of priority lists."

"Agricultural reforms have made it more profitable for the average peasant to stay at home and help the family household," she said.

Soldiers, who receive low pay, have trouble finding suitable brides because women would rather be married to "the prosperous peasant as opposed to a penniless military person," Mrs. Teufel Dreyer said.

As a result, she said, recruiting has become a major problem with fewer volunteers and the army relying on more heavily-handed recruitment.

In addition, the military, like the Communist Party, has been tarnished by corruption among top officials who enjoy special privileges. The official Chinese press has reported that top army officers have adopted life-styles that include expensive wine and dining and costly foreign cars. Such extravagance has incurred widespread resentment among low-

ranking soldiers and many civilians.

In recent years, senior leader, Deng Xiaoping, has streamlined the largest fighting force in the world, reducing the ranks of the army by one million men, or nearly one-fourth of the total. He also has consolidated the number of army regional commands in a bid to increase efficiency. Some experts say the consolidation gives Mr. Deng more control.

The army is now organized into seven regional commands, each headed by a regional commander who reports to the military commission.

The loyalty of each of those regional commanders "will depend on who he feels he owes his job to," Mrs. Teufel Dreyer said. "The military is factionalized. The personal loyalty network is very strong."

While Mr. Deng has succeeded in removing from power many old or officers who opposed his economic reforms, many old marshals and veterans still carry clout because of their service during the early days of the Chinese Revolution, experts said. They point to the seven retired senior military officers who openly criticized the martial law order imposed two weeks ago.

Although the experts rule out a complete takeover by the military, it is possible that the older commanders may be able to put pressure on the ruling Politburo to put a more moderate Chinese leader in place, much in the way that the military backed Hua Guofeng to succeed Mao when the leader died in 1976.



Soldiers of the People's Liberation Army moving along a main street in Beijing on Wednesday.

SHANGHAI: Workers Set Fire to Train After 6 Die

(Continued from page 1)

ers using gasoline, some in Molotov cocktails, had set fire to the train. One said police motorcycles were also burned.

There was no immediate explanation for the train engineer's failure to stop. The main railroad station was closed and a diplomat said ticketed passengers were told they would have to wait three or four days before they could leave town by rail.

Young workers, often favoring

dark, sleeveless T-shirts and dark glasses, set dozens of cars, trucks and even armored personnel carriers on fire during the weekend violence in Beijing. In one Sunday night episode, young men in northern Beijing could be seen setting fire to a civilian truck far away from any army unit. They rode away quickly on bicycles, shouting with excitement.

Both the decentralized economic reforms and retrenchment of the last few years have dislocated many workers, and left many young Chi-

nese leaving high school with few job opportunities and no chance for admission to the relatively small number of colleges and universities.

Diplomatic sources blamed young men from worker families for an assault on a hotel in Chengdu, Sichuan Province, earlier in the week that produced looting and a police counterattack leading to 20 deaths.

A resident of Shenyang in north-

Taiwan to Permit Calls to Mainland

Reuters

TAIPEI — Taiwan, which still bans official contacts with China, will permit telephone calls to China for the first time in 40 years and expand mail links to allow transmission of messages of support for pro-democracy protests, the government said Wednesday.

The chief spokesman, Shaw Yu-ming, said the measures were intended to help break a news blackout imposed by Beijing on pro-democracy demonstrations and the military crackdown.

He said that within three days Taiwan residents would be able to dial China through switchboards in

third countries. Letters addressed to China will be accepted by the Taiwan postal service and forwarded through a special office to be established in Hong Kong.

Taiwan also plans to offer scholarships to Chinese students studying abroad if they need money to finish their courses. It will also offer them Taiwan passports on a case-by-case basis.

The government also plans to float balloons across the Taiwan Strait to the mainland carrying food, medicine, radios, newspapers and cassette tapes, and will beam more radio news programs to China.

Letters addressed to the Taiwan postal service and forwarded through a special office to be established in Hong Kong.

The Shenyang resident said more intersection barricades, now common in most other major cities, were also appearing there in what appeared to be an organized student attempt to compel attention to activist demands without causing large, bloody confrontations.

NOTES ON A CENTURY

Thomas Paine, the American Link
Between the Continents

As France prepares to celebrate the Bicentennial of the Revolution of 1789, it recalls the men who transformed the ancien regime into the republic and the role they then played in fostering spirit of freedom and democracy that exist today. The International Herald Tribune, which was already established as an American newspaper in France at the time of the one-hundredth anniversary of the Revolution in 1889, is publishing the following articles to celebrate the depth of the ties that have bound America to its oldest ally. Thomas Paine, one of the founding fathers of the United States, was also an acclaimed hero of the French revolution. He died in New York on June 8, 180 years ago this week, after striving to assure that the ideals of "the new world regenerate the old." It is in this spirit that the International Herald Tribune has joined the League of Human Rights and the Bicentennial Mission, working with the Acte II organization, to rededicate the statue of Thomas Paine, at the Cité Universitaire in Paris, on the anniversary of his death.

By Georges A. Kantin

If any one man can be said to have struck the spark that lit the flame of liberty in America and then carried it triumphantly to France, it was Thomas Paine.

He shook the English crown and rocked the foundations of established churches. He formed the idea of independence on one side of the ocean, helped foster republican ideals on the other and left an indelible mark on the history of the two centuries that have followed him.

An indelible mark — yet one that many still refuse to see: He was an indelible man whose memory has been largely obscured in much of the world he did so much to shape. Thomas Paine died just 180 years ago this week, on June 8, 1809 in New York's Greenwich Village, impoverished and with few friends about him.

He was, for President John Adams, the pen without which Washington's sword would have been raised in vain; and for Bonaparte the spirit to which a golden statue should be raised in every city in the world.

English by birth, American by adoption and French by decree, Thomas Paine is the archetypal American link between the continents during the political stage of the Age of Enlightenment.

He met Benjamin Franklin in England and soon became a pamphleteer and polemicist of genius in the American colonies. His "Common Sense" convinced both Washington and Franklin and hundreds of thousands of colonials that the only solution to the crisis in America was independence.

He was among the first and best of war correspondents, reporting for the Pennsylvania Assembly, living among the troops, explaining the events at the front. And when the facts he reported proved to hard for the colonials to bear, he openly stretched his skills to editorializing and told those who would belong to what he named the United States of America, that "these were the times that try men's souls."

Such was the power of his words that Washington would order the public reading of the latest text of Paine's Crisis series to his troops before sending his men to battle.

He also went on to denounce the first political scandals in the new nation's capital when, later, he attacked the corruption of a high embassy and was made to pay the price of whistleblowing. Paine was eventually ex-

onerated, but not before he felt the harsh resentment which was often vested upon those who exposed public misdeeds.

Yet he had become a friend of Washington, Franklin, Jefferson and Monroe, as well as of Lafayette, and he was — already — the media idol of the nation of Americans. He was also widely read in England and adulated in France, where his writings were soon to take on a new and special meaning.

The year 1789 found Paine in England, but he quickly espoused the cause of liberty in France, where Jefferson, the minister of the United States, had observed the revolutionary events from his embassy at the Hotel de Langeac, on the corner of the Rue de Béri and the Champs Elysees.

In a gesture of immense symbolic import, it was to Thomas Paine that Lafayette gave the

keys of the Bastille to offer to Washington, and it was Thomas Paine who led a small band of Americans to unfurl the Stars and Stripes for the first time in France on July 14, 1790 on the first anniversary of the fall of the Bastille in a ceremony presided over by Louis XVI and Marie Antoinette.

Paine then returned to England to promote his invention of a single-arch iron bridge. The following year, he took up the defense of the much maligned revolution in France and undertook to write a two-part pamphlet called "The Rights of Man."

The first part carried a dedication to Washington which said: "may you live to see the new world regenerate the old." The second part was dedicated to another old friend, Lafayette, who was playing a major part in the revolution then taking place in France.

In The Rights of Man, which sold by the hundreds of thousands of copies, Paine urged the establishment of rights and responsibilities for all parts of society. He called for social justice to include the notion of free education for all children, retirement for workers reaching the age of 60, the right of workers to negotiate their salaries and working conditions, relief for the aged and the sick, a progressive income tax, as well as grandiose ideas concerning the abolition of slavery and equality of the sexes relevant for the next 200 years.

His works were immediately translated and distributed in France, where they met with enormous success. But William Pitt, the British Prime Minister, denounced "The Rights of Man" in Parliament and launched a campaign to discredit Thomas Paine and im-



Thomas Paine

Gouverneur Morris, the American ambassador to France at the time, who had had many personal and political differences with Paine over the years — not the least of which was the generally accepted notion among the 200 or so Americans in Paris that the real ambassador of the United States was Paine and not Morris — found it convenient to be unable to ascertain whether Paine was an American citizen.

It was not until the future President Monroe became U.S. ambassador to France in August, 1794 that Paine was reassured. Monroe wrote: "By being with us through our revolution, you are of our country absolutely as if you had been born there; and you are no more of England than every native American... To the welfare of Thomas Paine the Americans are not, nor can they be, indifferent."

Paine was released from the Luxembourg prison in November of that year. He was tired, ill, 58 years old and had completed his latest work, "The Age of Reason."

In "The Age of Reason" Paine wrote: "My own conscience is my only church. I believe in God, nothing more, and I hope for happiness beyond this life... By this declaration, I do not want to condemn those who have other beliefs. They have the same right to theirs as I have to mine."

He made it most clear that in his revolutionary opinion a man of faith had no need of an intermediary; no need of churches, of prelates or priests.

He detailed his absolute belief in God and offered a magisterial lesson in natural sciences, and religious views that in most quarters were perceived as unacceptably radical.

And much like a college sophomore, he listed the factual inconsistencies in the Bible to prove that it could not be taken literally. But this was 200 years ago.

Paine continued to write, on the abolition of tariff barriers, on agrarian reform, on canal networks. He also convinced Bonaparte, warned Napoleon, conferred with Follon about his steamboat. But the immensely well-known "Age of Reason" had cast a permanent pall about him. For some he was a voice of centuries to come, for others he was the devil incarnate.

Paine returned to the United States in 1802. But it was a conservative, religious climate to which he returned and he was ostracized by most who knew of him, with the august exception of Thomas Jefferson. The aged prophet, once the idol of revolutionary crowds, turned into a lonely man.

In June 1809, the godfather of revolutions, many of whose original concepts remain daring for much of the world today, died largely detested, derided, reviled.

A few years earlier, John Adams had said of Paine: "I know of no man in the last 30 years who exercised more influence on the people and the events of the world than Thomas Paine."

Two centuries later, many peoples in the world today look in the light of a flame of liberty which Thomas Paine struck that first spark.

Georges Kantin is president of Acte II, which organized the Thomas Paine commemoration.

Save the King for Democracy

The king had been found guilty of "plotting against the liberty of the people." The Convention Nationale had been unanimous about that and Thomas Paine approved.

On January 15, the time had come to decide how the king should be punished for his crimes. Paine had told his friends that he would fight against the death penalty. But if "the French killed their king, then I would leave, for I could not remain any longer among such bloodthirsty men."

Paine knew he would have to find the right words to sway the Convention. His words had shaken the American Colonies and helped to create the United States. But he spoke only English and he would have to appeal in French.

A colleague, another member of the Convention, one of many who knew and admired Paine and his reputation, rose to speak for him, to translate what Paine had written.

Hardly had he begun, when Jean-Paul Marat interrupted, saying that Paine was not qualified to participate in a debate where a man's life was in the balance, for Paine was a Quaker and the Quakers opposed the death penalty.

But the Convention protested, insisting on giving Paine the right to have his say. Paine's colleague resumed speaking in Paine's words: Louis Capet was guilty of plotting, conspiring against the liberty of Frenchmen, as any king has always been guilty of conspiring against his people. But Louis left his charge, abandoned his throne 18 months earlier. Those who forced him to return and made him pick up a scepter that Louis had rejected must share in his guilt. And those people sat in the Assembly.

Assembly. Louis to death and his two brothers, who emigrated as soon as the throne began to shake, would eagerly fill the void. Execute Louis and you would execute a man and not the monarchy.

The Convention must accept the idea of Robespierre and abolish the death penalty as the Assembly had abolished the monarchy.

France cannot afford the luxury of executing Louis, for France is in a state of need. It needs the ships, the commerce, the grain that comes from the United States; it needs the friendship of the new American nation. And America knows that without the aid that Louis had offered, it could not

have won its independence, nor the war that it brought on.

To execute Louis would be to alienate the great American democracy and France must not lose this friend. This, Paine said, he felt as an American patriot and he declared it as a French patriot before the Convention. Paine said he would vote to imprison Louis for the duration of the war and then for his banishment, his exile to the United States.

In the new said, Louis would learn democracy. Later, Louis' children would return to France, having understood the error of their earlier ways and could be useful citizens.

The Convention voted a sentence a few days later. Of those present 361 voted to execute the former king, 360 to spare him. The voice of moderation from America had not been loud enough. The king was executed on January 21, 1793.

Tom Paine, the American revolutionary who was a French legislator, remained in France for nine years longer. He spent 10 months of that time in prison; it was in part retribution for his attempt to save the life of Louis XVI.

— GEORGES KANTIN

CHAOS IN BEIJING: Embassies prepare to evacuate dependents; Hong Kong braces for unrest

Hong Kong Tense After Protest Riot

By Colleen Geraghty
International Herald Tribune

HONG KONG — Police were alerted to expect further unrest Thursday after about 25 persons were injured in rioting early Wednesday.

The rioting marked a turn to violence after more than three weeks of peaceful demonstrations here in support of the Beijing demonstrators and in mourning for victims of the bloodshed there.

Hong Kong, a British colony, is scheduled to be turned over to China in 1997, and many local residents fear a bleak future under Beijing's rule.

The rioting prompted organizers to cancel a rally planned for Wednesday. Many businesses nonetheless observed a strike in honor of those killed by troops in Beijing over the weekend.

The police blamed the overnight violence on "criminal and unruly elements," and Hong Kong media observers speculated that mainland Chinese "infiltrators" were involved.

Sze To Wah, a legislative councillor and a leader of Hong Kong's pro-democracy movement, said the

rally organizers had received information that agents from Beijing might try to provoke unrest during Wednesday's demonstrations, which had been expected to draw more than 500,000 people.

"Accepting proposals made by the police, we decided to cancel all mass rallies," he said.

Police used tear-gas and truncheons during the two-hour confrontation with about 7,000 demonstrators in the densely populated Mongkok neighborhood, where restaurants, shops and street vendors carry on a thriving trade until well past midnight.

The crowd threw stones, bottles and set fire to a van.

Police received reports of violence in other parts of Hong Kong Wednesday, but all proved false. They said the government was attempting to trace the origin of the reports.

Although the mass rally was canceled, and police tried to dissuade people from demonstrating, thousands took briefly to the streets during the day. Many of those who reported for work marched in small, orderly groups during their lunch hour.



Sir Alan Donald, the British ambassador to China, talking with a departing diplomat as he says goodbye on Wednesday to a convoy of vehicles from the embassy en route to the airport at Beijing.

Qiao Shi, Rising Party Leader, Has Quietly Built Up Powers

By Fox Butterfield

NEW YORK — Qiao Shi, the Communist Party leader whose major role has been reaffirmed by Beijing radio, has had a long career in the Chinese security apparatus and is believed to be close to old-guard conservatives.

Before the crisis in Beijing, Mr. Qiao was officially listed as the third-ranking member of the Standing Committee of the Politburo, ranking below only Zhao Ziyang, the party chairman, and Li Peng, the more orthodox prime minister.

With Mr. Zhao reported to have been stripped of his post for taking too conciliatory a line toward student demonstrators, and Mr. Li widely despised, Mr. Qiao could be in line for the top party or government job.

Some analysts say that may have been what elderly party hard-liners had long planned as they maneuvered over the last few years to place the 65-year-old Mr. Qiao in a highly unusual combination of powerful positions.

While Mr. Qiao is little known to foreigners and had an obscure early career, his current collection of titles suggests he may have been groomed for power.

Qiao Shi (the name is pronounced chow shay) is the party's top internal security officer, as head of what is known as the Leading Group for Political and Legal Affairs under the Central Committee.

This agency oversees the work of the Ministry of Public Security and all the police and courts in China. It was apparently because of this job that the Supreme People's Court sent him the message broadcast by Radio Beijing. This post was formerly held by Peng Zhen.

The radio said Wednesday that the court sent a telegram to "Comrade Qiao Shi and the Standing Committee of the Politburo to express support for the actions to suppress counterrevolutionary riots."

Analysts said the message indicated that Mr. Qiao may now be the highest-ranking member of the ruling Politburo and acting head of the party, replacing Mr. Zhao.

Mr. Qiao, a native of Zhejiang Province near Shanghai, is also head of the Personnel Leading Group of the Central Committee, which oversees the party organization department and is responsible for promotions, appointments and demotions in the party.

Moreover, Mr. Qiao is secretary of the Central Discipline Inspection Commission, which investigates corruption within the party and any violations of party rules.

He succeeded Chen Yun, another elderly conservative, in this post. Some analysts think he may have been placed there by Mr. Chen.

In addition, Mr. Qiao is president of the Central Party School, where he oversees the party's ideological journal, Seeking Truth.

In the 1960s he worked in the International Liaison Department of the Central Committee, which has responsibility, among other things, for foreign intelligence and subversion.

He disappeared in the Cultural Revolution, but later was promoted to deputy director and then director of the International Liaison Department, suggesting a career in intelligence work.



Qiao Shi

CHINA: Families of Diplomats Leaving After Reports of New Clashes

(Continued from page 1)

revolutionaries! Fight the fascists!"

And then, fueling the chaos around them, the troops simultaneously began firing their submachine guns into the air, creating a deafening thunder that lasted several minutes and sent people diving to the ground throughout the neighborhood. It was not clear why they fired.

While troops are not so quick to shoot pedestrians as they were a few days ago, soldiers still are everywhere on the main arteries in Beijing. Soldiers are reluctant to drive alone, away from the main roads, but tanks and troop trucks roll regularly along the Avenue of Eternal Peace and other major thoroughfares.

It is equally unclear who, if anyone, is running China. The senior leader, Deng Xiaoping, was last seen May 16, and there are rumors that he is dead or dying. However, the morning news programs and the People's Daily newspaper reported that Prime Minister Li Peng had held a meeting, suggesting that he still is in authority.

A White House spokesman said that China had postponed a June

12 visit to Washington by Foreign Minister Qian Qichen.

The People's Daily and morning radio programs on Wednesday also seemed to suggest that Qiao Shi, a Politburo member in charge of security, might be gaining influence, and perhaps would be named party leader. However, the news item was not reported in the evening television news program.

In a sign that the unrest in Beijing is straining Chinese-American relations, the government on Wednesday twice criticized the United States for interfering in China's domestic affairs. The principal sore point appeared to be President George Bush's decision to protest the killing of civilians by suspending arms sales to China and suspending visits by military officials between the two countries.

The ministry said in a statement that the United States "has flagrantly made unwarranted charges against China over a matter that is purely China's internal affair."

"This is absolutely unacceptable to us," the statement said, adding that the United States should not do anything to hurt bilateral relations.

Later in the day, the government

issued a statement attacking as "an interference in China's internal affairs" the U.S. decision to give refuge in its embassy to Fang Lihui, the astrophysicist who is China's best-known dissident.

For the most part, the attacks by troops on civilians — which killed hundreds and perhaps thousands of people after the army moved into the center of the city Sunday — seem to have been replaced by skirmishes between military units and a dull apprehension throughout the capital that the worst is yet to come.

The situation is so confusing that almost no one professes to know what is going on, least of all the ordinary Chinese residents who slip out of their homes to chat with their neighbors about the latest rumors.

On Tuesday, residents in the Western part of the city had cheered convoys of troops who claimed to be members of the 38th Army, which is widely believed to be planning attacks against the forces of the 27th Army, blamed for most of the bloodshed. The citizens even dismantled some of their barricades on the Avenue of Eternal Peace so that the 38th Army vehicles could proceed more rapidly

to the center of the city and attack the 27th Army.

But after the purported 38th Army troops passed into the center of the city, they disappeared and no one knows what happened to them.

Now many citizens believe that they were duped and the troops were only pretending to be in the 38th Army so as to get help in dismantling the barricades. Next time, residents vow, they will demand proof before allowing soldiers to pass by so easily.

Some diplomats believe that high-level meetings may be under way among different factions to try to resolve the paralysis and the military crisis, and there were reports Wednesday that some senior officials arrived at Beijing's old airport to travel under military protection to the center of the city, possibly for a meeting.

However, no one knew who the officials were or what kind of a meeting it was.

The news media took a small step toward normalcy Wednesday, when the television news program once again showed the faces of the news readers. On Tuesday, faces of the readers were not shown. In addition, the People's Daily made its first appearance in several days,

with at least the United States and French Embassies obtaining a copy. Most subscribers still are not receiving any newspapers or any mail, however.

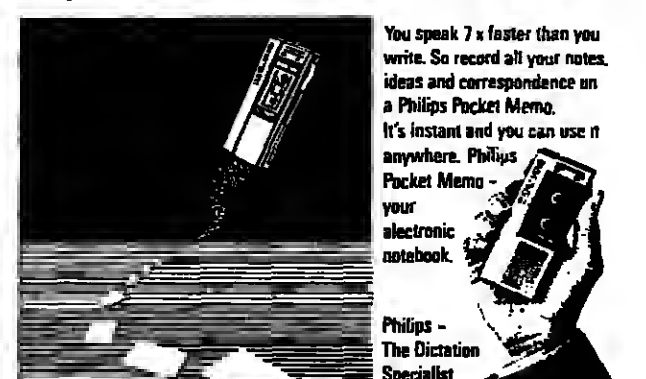
The event that precipitated most of the concern in the foreign community was the shooting at the Qijiyuan and Jianguomenwai diplomatic compounds Wednesday morning. Many of the apartments had already been evacuated, because soldiers had been firing in the air nearby for two days.

The government issued a special statement Wednesday night explaining the incident. It said that one soldier was killed and three others injured when troops were attacked by snipers from the Jianguomenwai Compound and from a building opposite.

"The contingent was forced to fire back," the statement said. It added that the troops will be responsible for protecting the safety of both Chinese and foreigners who strictly observe martial law regulations.

WORLD MARKETS
IN REVIEW
INVEST EVERY MONDAY
A WEEKLY REVIEW OF WORLD STOCK
MARKETS, ESSENTIAL READING FOR INVESTORS
AND PROFESSIONALS — WORLDWIDE

Philips Pocket Memo - Your Electronic Notebook



For information call your office equipment dealer or send this coupon

Name	Position	IT-13
Company	Address	

PHILIPS DICTATION SYSTEMS, Truster Strasse 64, A-1101 Vienna, Austria



PHILIPS

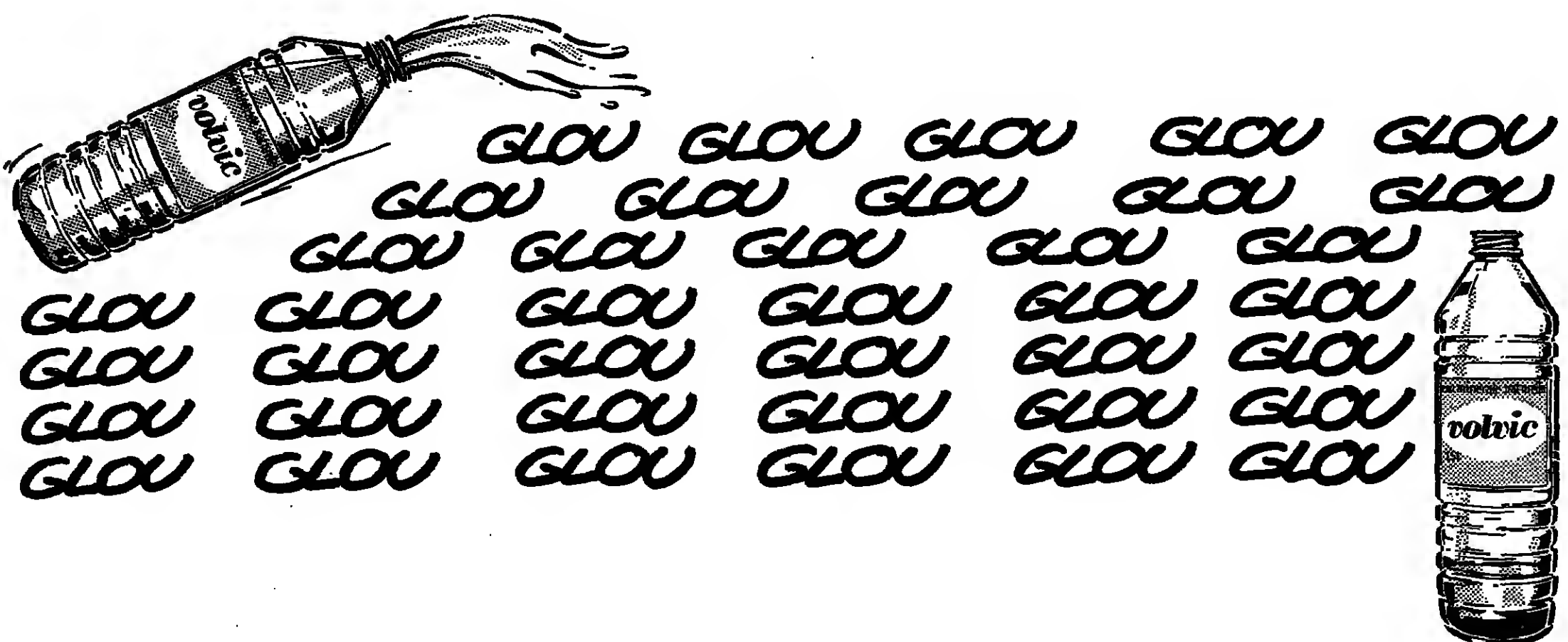
UNIVERSIDAD DE SALAMANCA

Diploma of Spanish studies

- Intensive 2-week residential courses in IZARRA Internat. College in July or August.
- For professionals, executives and high-grade civil servants.
- Levels: lower-intermediate, upper-intermediate, advanced.
- Magnificent setting and sports facilities.

Fax 34.1357 29 10. Fax 34.45.43 72 14.
Fax: 34.1.357 26 67. Telephone: 34.1.357 26 68.
Avda. Lasalle s/n (Aravaca) 28023 Madrid.

VOILÀ COMMENT WILANDER PRÉPARE DÉJÀ WIMBLEDON.



Désormais, Mats Wilander est toujours accompagné de sa Volvic dans les grands tournois internationaux, pour bien se

volvic

réhydrater et profiter de ses précieux oligo-éléments. A dans 15 jours à Wimbledon. Bonne chance Mats !

Soviets Report Troops Can't Halt Ethnic Riots

New York Times Service
MOSCOW — Despite the presence of 12,000 troops, killing and violence continued Wednesday in the towns of eastern Uzbekistan, according to an official of the Internal Affairs Ministry.

What began as an ethnic clash between Uzbeks and the Meskhetian minority deported at Stalin's order in 1944 has now turned into the more aimless violence of angry young people out of work, the official said.

The official death toll in the rioting stood at 67 Wednesday morning, mostly Meskhetians hunted down by gangs of Uzbeks in what the press refers to as a "pogrom."

The newspaper *Komsomolskaya Pravda* said that 11,000 Meskhetians had been evacuated from the area around the city of Fergana. But according to the Internal Af-

fairs official, authorities have so far been unable to restore peace.

"For two or three days it was quiet in the sense that there were no new victims," he said. "Now there are new incidents, new trouble spots, new victims."

"It's already taken on a different character," he added. "It's more hooliganism than ethnic trouble. It's beginning to be Uzbeks fighting with Uzbeks."

President Mikhail S. Gorbachev told the Congress of People's Deputies on Wednesday, "Although the situation is under control, it has not become stable, it is not changing significantly for the better. This naturally worries us all."

For decades, Uzbekistan has been treated by Moscow as a cotton-growing colony. The introduction of mechanized pickers and pressure to improve profits have sharply reduced the farm jobs.

VISIT: Pact Aims to Avert Clashes

(Continued from page 1)
 immediately upon signing, but will take six months to implement.

Admiral Crowe supervised the negotiations and he will sign the accord at the outset of a 11-day visit to ordinarily closed Soviet military bases. He said that the two sides were trying to develop procedures and guidelines for avoiding or dealing with military incidents.

The accord has two complementary goals, according to military and civilian officials, who spoke on condition that they not be identified. The first is to avoid provocative activities, and the second is to

prevent shooting if incidents or misunderstandings do occur.

It requires, for example, a peaceful resolution of disputes arising from the accidental intrusion of U.S. and Soviet forces into each other's territory — such as a lone Soviet aircraft straying into Alaska airspace or a platoon of U.S. troops stumbling across the East German or Czechoslovak border.

It requires both sides to avoid the use in peacetime military encounters of battlefield, naval, or aircraft lasers, which can damage unprotected eyes.

SOVIET: Ryzhkov Announces Arms Spending Cut

(Continued from page 1)

privileges were a target of public wrath during the election campaign this spring.

Mr. Ryzhkov did not call for opening the elite's separate hospitals to the general public, but he said that in the future all medical facilities should be financed at an equal level.

He also said that by 1991 the government would end all subsidies for money-losing industries, banishing the threat of bankruptcy before an estimated 9,000 unprofitable enterprises. State farms, another major drain on the treasury, were exempted from the deadline.

Meanwhile, Mr. Gorbachev convened the first session of the 542-member standing legislature, the Supreme Soviet, and rapidly began pushing through approval of his team for the newly reorganized government, amid cries from some deputies that he was railroaded his choices.

The legislature also established 14 standing committees, including one on defense and state security that has been promised control of both the military budget and the activities of the KGB, the state security police.

During the debate, Mr. Gorbachev agreed with a deputy who said that only civilians should sit on this key committee.

The only serious opposition came when Mr. Gorbachev nominated Gennadi V. Kolbin, the

tough party boss of Kazakhstan, to head the new People's Control Committee, a watchdog agency with power to ensure that officials and industrial managers are complying with government policy.

Several deputies urged that Boris N. Yeltsin, the maverick Communist, be given the post because he would be less beholden to the Communist Party leadership.

But others said Mr. Gorbachev was entitled to name his own team, and in the end Mr. Yeltsin demurred by endorsing Mr. Kolbin.

Mr. Gorbachev told the legislature that Mr. Yeltsin, dismissed from the Communist Party Politburo in 1987 for complaining about the slow pace of perestroika, would head a committee on construction and architecture.

The legislature also approved the appointment of Mr. Ryzhkov, the former manager of the huge Ural-mash machine tool factory, who has been Mr. Gorbachev's prime minister and a leading economic official since 1985.

The body approved Yevgeni Smolensky as chairman of the Supreme Court, which is to be given greater independence under a promised reorganization of the justice system. Mr. Smolensky has been the chairman of the Supreme Court of the Russian Federation.

Alexander Y. Sukharev was reappointed as general prosecutor.

Yuri Matveyev, formerly the chief arbiter for the Ukraine, was named to the important but little-known post of national arbiter, responsible for resolving disputes within industry.

Mr. Ryzhkov's state-of-the-economy speech contained a number of disclosures, including breakdowns of the military and space budgets.

"We intend to proceed persis-

tently along the road of disarmament," he said, "seeking to reduce the share of national income devoted to defense expenditures by one-third to one-half by 1993."

According to official figures, the military budget now accounts for about 12 percent of the Soviet national income. Assuming that income grows about 4 percent a year, Mr. Ryzhkov's forecast for 1993 would translate into actual spending cuts of as much as one-third from the current level.

Mr. Gorbachev last week put total military spending at 77.3 billion rubles, a figure considerably lower than most Western estimates.

One indication that Mr. Gorbachev's figure does not cover all military spending came Wednesday when Mr. Ryzhkov revealed the budget for the space program — 6.9 billion rubles, including 3.9 billion "for defense purposes."

Mr. Ryzhkov's speech got a generally warm reception from economists who advocate making the Soviet economy more market-oriented.

He was also applauded when he criticized "greed and self-interest" in the growing private sector, but he went on to say that this sector must be protected.

■ **Thatcher Disputes Budget**

Prime Minister Margaret Thatcher of Britain said on Wednesday that Soviet military spending was about double the figure of 77.3 billion rubles that Mr. Gorbachev gave last week, Reuters reported from London.

Mrs. Thatcher said in a written reply to a parliamentary question: "We do not know how this figure has been compiled and assess that, when compiled according to the definitions common to NATO countries, outlays should be roughly twice this level."



Boris N. Yeltsin during a Supreme Soviet debate over his ill-fated candidacy to head a committee.

CAREER OPPORTUNITIES

INTERNATIONAL EXCHANGE PROGRAM. WE PROVIDE VISAS! TRAIN and LIVE in NEW YORK!!!

If you're seeking training and international experience in the field of mental retardation and developmental disabilities, APPLY NOW!
WHO ARE WE? YOUNG ADULT INSTITUTE is an award winning non-profit agency serving MR/DD persons.

WHERE? Training program and housing available in NYC Metropolitan area.

LENGTH OF PROGRAM? 18-month exchange program for French citizens with a university degree (preferred).

STIPEND? \$14,000-\$22,000, depending on experience.

(INTERVIEWS WILL BE CONDUCTED IN PARIS DURING THE 1st WEEK IN JULY)

Call Personnel IMMEDIATELY to arrange an interview 212-583-7474
 or EXPRESS MAIL your resume to:
YOUNG ADULT INSTITUTE
INTERNATIONAL EXCHANGE VISITOR PROGRAM
 c/o Personnel Dept. #270,
 460 W. 34th Street, NYC 10001.

YAI

Where YOU are as important as what you do!

PROMOTION EXECUTIVE

The International Herald Tribune
 wishes to recruit a
Promotion Executive
 to join the paper's Paris headquarters.

Reporting to the Publisher and the Associate Publisher, the Promotion Executive will help them shape the IHT's overall promotion strategy and programs — with particular emphasis on circulation development in a variety of countries and cultures. Working with a small promotion team, he/she will need to have well-developed creative abilities and must be able to write good promotion copy in English. Experience with an English-language publication or an advertising agency would be a definite advantage. Applicants should be of English mother-tongue but knowledge of French would be a plus. The candidate must be able to work well under pressure — and to get along smoothly with people of many cultures and disciplines.

Salary will depend on experience. Excellent opportunities for professional development with the world's fastest-growing international publication.

Please address your C.V. and references to:
 Mrs. Bernadette Jeanroy
 Personnel Director
INTERNATIONAL HERALD TRIBUNE
 92521 Neuilly Cedex, France

MANAGING DIRECTOR INDIA

Leading multinational hi-tech company
 seeks Managing Director for its Indian subsidiary.

The ideal candidate will have lived and/or done business in India, gained a background in a high-tech industry (electronics, telecommunications, computers/computer-driven equipment, instrumentation, etc.) and have several years senior management experience. Age: 38-55 years.

Very attractive salary and expatriate benefit package offered with contract renewal or subsequent international career opportunities available.

Please reply to Dept. DT

ARROW COMMUNICATIONS S.A.
 447 Avenue de Tervuren
 B-1150 Brussels
 Belgium.



ARROW COMMUNICATIONS S.A.

INTERNATIONAL COMPANY (Fast Moving Consumer Goods)

Seeks to Employ

AREA MANAGER EASTERN EUROPE

- To be based in Brussels,
- With previous market experience,
- Creative and self-motivating,
- Willing to travel extensively,
- English, German, French.

We offer an attractive salary with an appropriate benefit package.

Please apply to:
 Box D-271, L.H.T., 181, av. Charles-de-Gaulle,
 92521 Neuilly Cedex

EXPORT SALES MANAGER

To identify and exploit new markets in the Middle East

Package up to £30,000

UK base

With established products dominant in their own market sectors throughout the world, our client company is now intent on further growth, from new products in new sectors. A large company itself (turnover £1.00m), it is part of a major group, yet this job will provide the scope for individual flair and entrepreneurial skills normally only available in small (and therefore risky) organisations. The key to success is a proven track record throughout the Middle East, through OEM's, and VAR's, but principally distributors, agents and wholesalers. A facility with local languages is highly desirable. Process control and instrumentation is the preferred specialism, but candidates with the experience and maturity to get results from their own initiatives are unlikely to find product familiarisation a major obstacle. Uniquely, this job combines the excitement of innovation with the backing of established success. Please send full career details, quoting reference WE9094, to Nick Ponsford, Ward Executive Limited, Academy House, 26-28 Sackville Street, London W1X 2QL. Tel: 01-439 4581.

WARD EXECUTIVE

LIMITED

Executive Search & Selection

EXECUTIVE POSITIONS AVAILABLE	EXECUTIVES AVAILABLE	GENERAL POSITIONS AVAILABLE	GENERAL POSITIONS WANTED
PRESTIGIOUS NON-PROFIT INTERNATIONAL TRADE ORGANIZATION In Paris seeks a senior bilingual executive to help increase its membership base. Probably mid-50s and open to relocation in the higher levels of industry. This is a non-profit organization on a national basis. The candidate should be a native speaker of English and have a minimum of 10 years' experience in a similar position. Please send resume and references to: 92521 Neuilly Cedex, France.	EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	U.S. GOVERNMENT FOOD SERVICE Seeking a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	SECRETARY WANTED Seeking a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.
EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.
EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.	EUROPE 1992 We are looking for a bilingual executive to join our team in Europe. Please send resume and references to: 92521 Neuilly Cedex, France.

EXECUTIVES AVAILABLE

FRENCH GENERAL MANAGER CAN BE YOUR AMBASSADOR IN EUROPE

I have successful and prestigious start-up experience in the European computer market. 39 years, accustomed to working with and reporting to American firms. I have created computer companies in France, Italy and Spain, and have started activities in Holland, Greece, Africa and the Middle East.

I'm a winner, ambitious and ready to take on a new challenge.

If this challenge is also yours,
 you may contact me on 33 1 30 43 80 83,
 or write to: Box D265, 181 Ave. Charles de Gaulle,
 92621 Neuilly Cedex (France).

YOU SAW THIS AD

So did nearly half a million
 well-educated, influential and
 successful readers.

Shouldn't you too place
 your recruitment ads
 in the

INTERNATIONAL HERALD TRIBUNE?

Please contact:

NY PARIS: 181, Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: 46 37 93 85 (for Classified only), Tel: 61 30 95. Fax: 46 37 93 70.
NY LONDON: Classified Dept., 63 Long Ave., London, WC2E 9JH, UK. Tel: 01 836 4802. Tel: 262 009. Fax: 240 2254.
NY NEW YORK: 850 Third Ave., New York, N.Y. 10022, U.S.A. Tel: 212 752 3890. Toll free: (800) 572 7212. Tel: 427 1075. Fax: 212 752 6785.
NY HONG KONG: Malaysia Bldg., 7th Floor, 50 Gloucester Road, Hong Kong. Tel: (86) 61016. Tel: 6170. Fax: 652-8613073.
NY FRANKFURT: Friedrichstrasse 15, D-6000 Frankfurt, Germany. Tel: (49) 72 67 55. Tel: 41671 HT D. Fax: 727319.

SCIENCE

The Debate Over New Samurai Theory

By John Noble Wilford
New York Times Service

A MIXED reaction of agreement and skepticism among scholars is greeting a recent finding that the samurai, the feudal warriors who were idealized as the epitome of everything Japanese, were actually descended from the Ainu, an ethnic group that is considered primitive by most Japanese and is often the target of discrimination.

In the genealogy of Japan, as it is usually drawn, most modern Japanese, as well as the samurai, are deemed to be descended directly from the Jomon, prehistoric inhabitants of what is now Japan. In contrast, the Ainu, a shrinking ethnic group in northern Japan, are traditionally regarded as "racially different," stuck out on a genealogical side branch.

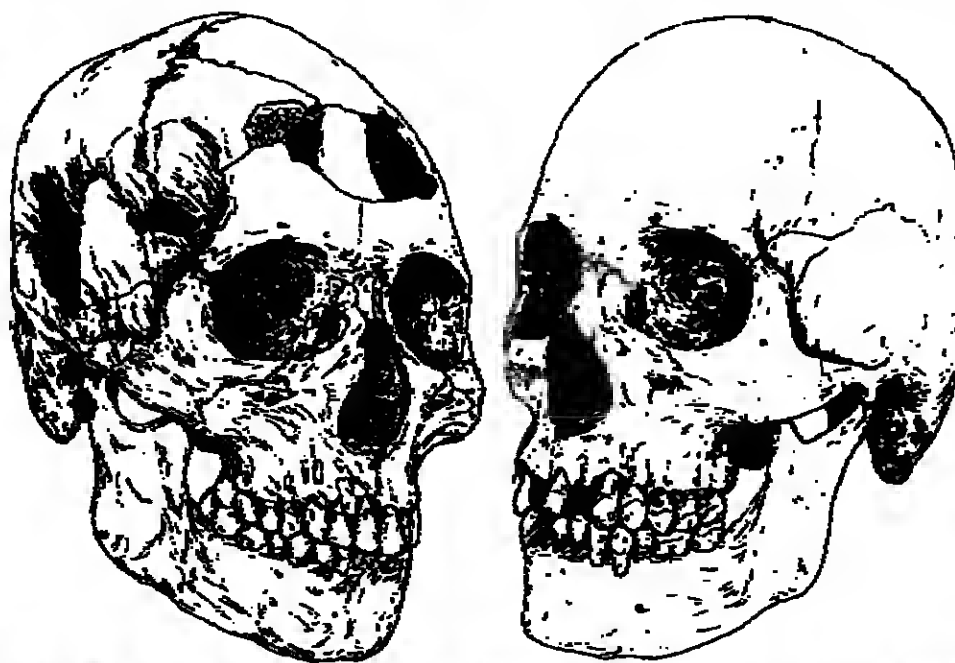
But after a detailed study of skeletal remains and historical documents, the anthropologist C. Lee Brace of the University of Michigan concluded that the (lowly) Ainu, not the ethnic Japanese, are the true descendants of the Jomon, and that the samurai were descended from the Ainu.

Most modern Japanese, he found, are descended mainly from the Yayoi, who migrated to the islands from Korea and China about 300 B.C., introducing intensive rice agriculture and largely supplanting the Jomon.

"I knew after my first shot at it that the prehistoric Japanese, the Jomon, just don't look like modern Japanese," Dr. Brace said in a telephone interview. "They do look remarkably like modern Ainu."

But his most startling conclusion, and the one likely to upset traditionalists, was that most of the samurai were not really ethnic Japanese but descendants of the Ainu. Like the Ainu, the samurai had more body hair, lighter skin and higher-bridged, European-like noses than most Japanese.

Indeed, nearly all of the physical characteristics of the samurai, cele-



The skull of an ancient samurai (left) has a bulging forehead, pointed chin, flat cheeks and high-bridged nose, characteristics similar to those of the Ainu skull diagrammed at right.

brated in art and held high in social esteem, are those that closely resemble the facial features of the 18,000 Ainu who live on the northern island of Hokkaido.

Dr. Brace said this interpretation also explains why the facial features of the Japanese ruling class are often so unlike those of typical modern Japanese.

The Ainu-related samurai achieved social power and prestige in medieval Japan that they intermarried with royalty and nobility, passing on Jomon-Ainu blood in the upper classes, while other Japanese were primarily descended from the Yayoi.

Likewise, this would account for the "un-Japanese" appearance of the Kabuki actors, courtesans and samurai portrayed in paintings and on silkscreens. The people in this highly stylized art are invariably

shown with the elevated nose, the slight swelling at the center of the brow, the pointed chin and flat cheeks that set the Ainu apart from typical Japanese.

Dr. Brace, writing in a recent issue of *The American Journal of Physical Anthropology*, said, "There is more than a little irony in this whole picture: whereas the Ainu so looked down upon in the traditional Japanese conception of the social spectrum, have had a genetic effect on the ruling classes of Japan that would be completely unexpected for a conquered and despised people presumed to have been exterminated."

The proposed revisions in Japanese genealogy were based on a study of 34 features of the skulls and teeth of more than 1,100 skeletons of Japanese, Ainu and other Asian ethnic groups. The samurai

and the regional shifts of power that occurred as the feudal system emerged in medieval Japan." Dr. Brace wrote, "the genetic characteristics derived from the Jomon-Ainu continuum came to constitute a significant part of the biological makeup of the dominant military class."

But Hisashi Suzuki, a retired professor of anthropology at the University of Tokyo, has denied that the fallen samurai of Kamakura, and thus succeeding generations of ruling classes, could be Ainu. Reflecting the established view of Japanese anthropology, he said that, despite some Ainu traits, the samurai physical characteristics were merely a local variant of modern Japanese features.

Dr. Brace said that other Japanese reaction to his ideas had been muted so far. "Dealing with the Japanese is difficult," he said. "They don't tell you to your face that they disagree with you. I did have one anthropologist come up to me and politely say, 'I hope you are wrong.'"

William W. Howells, emeritus professor of anthropology at Harvard University, said the Ainu-samurai connection was "a pretty good theory, but I don't think it's proven yet."

Edwin O. Reischauer, a Harvard authority on Japanese history and culture and a former U.S. ambassador to Tokyo, said he had "very strong reservations about the theory."

"The early samurai came mostly from areas that had been inhabited by Ainu," Mr. Reischauer said, "but there had been a mixing of people for several hundred years." In fact, Mr. Reischauer said, the "great variety of facial types" in Japan testified to the absorption of the Ainu and other people into the "Japanese bloodstream." The mixing, he said, was not limited to any one social group.

'Stranger Anxiety' Disputed As Mark of Infant Growth

By Daniel Goleman
New York Times Service

FOR years it was considered a mark of healthy development for infants of about 9 months to show distress at the presence of a stranger.

Indeed, the dogma that "stranger anxiety" is a major milestone in an infant's emotional growth is still espoused in most books of advice for parents, and in many textbooks on child psychology.

But now developmental psychologists have concluded from recent research that whether an infant cries or not when a parent leaves or a stranger appears is determined by its temperament, not its level of emotional security. Some babies who cry in that situation may be emotionally healthy, while others may not.

The best measure of emotional health in an infant, many experts now say, is the day-to-day rapport between baby and parents, not the degree of anxiety when meeting strangers.

"Many infants who are quite healthy emotionally don't have stranger anxiety at all," said Stanley Greenspan, a psychiatrist who specializes in treating infants, and a clinical professor at George Washington University Medical School in Washington.

"Indeed, stranger anxiety, if extreme enough, can be a sign of problems, not healthy adaptation," Jay Belsky, a developmental psychologist at Pennsylvania State University, said that only in the last five years have a majority of experts "begun to acknowledge that it's totally misguided to see such anxiety as a sign of security."

The widely held but paradoxical belief that a baby's anxiety over strangers or separation from parents is a sign of emotional security followed from the pioneering work in the 1950s of John Bowlby, a British psychoanalyst, and others who studied the bonds between infants and their parents.

It was thought that at around 7 to 10 months of age stranger anxiety was a positive developmental step, a first indication that the infant could distinguish familiar from unfamiliar people. Such anxiety was also taken as an indirect sign of the depth of attachment the infant had formed with his or her parents.

Studies in orphanages had shown that infants raised there, presumed to be emotionally insecure because of lack of caring attention from an adult,

often reached out to be held by any stranger, while children who were brought up in secure homes were more likely to show fear of strangers.

The most recent, and strongest, evidence against that view was published in the May issue of the *Journal of Abnormal Psychology*.

The small but illuminating study was conducted by Richard Davidson, a psychologist at the University of Wisconsin, and Nathan A. Fox, a developmental psychologist at the Institute for Child Study at the University of Maryland.

They analyzed the brain-wave patterns of 13 infants, 10 months of age, and found marked differences between those who later cried when their mothers left the room and those who did not. Those who cried tended to have far more brain-wave activity on the right front side of their brain than on the left even before their mothers left the room. Those who did not cry tended to have the reverse pattern.

In other studies, Dr. Davidson has determined that activity in the right frontal area of the brain is associated with negative emotions like fear, while activity in the left frontal area is found during positive emotions like joy. They have observed these effects in infants as young as 3 days old.

In the new study, the brain activity was measured by a special cap, containing electronic sensors, that the infants wore while they sat at a feeding table. Their mothers then left the room. All but one of the infants who cried when their mothers went out of the room had much stronger activity on the right side, the seat of negative emotions, than the left. And every one of those who did not cry had stronger activity on the left side.

The results strongly suggest that whether or not a baby cries in this situation is largely a matter of the baby's temperament.

In unpublished research done with Jerome Kagan, a psychologist at Harvard University, Dr. Davidson found that 3-year-olds who are inhibited and fearful had the same pattern of higher brain activity in the right frontal region as did the younger infants who cried when their mothers left the room.

The research suggested that the pattern of brain activity was a sign of temperament that shows up in different ways at different ages.

IN BRIEF

Transplants: Parent's Kidney May Be Best

CHICAGO (AP) — Many infants die of kidney failure because their families and physicians don't realize the babies could be saved by receiving the transplant of a parent's organ, a doctor says.

"We don't want to coerce any parents to donate, but it is a proven treatment," said Dr. Samuel K.S. So of the University of Minnesota Hospital. "The major thrust is to let pediatricians and primary care physicians know there are options. There's hope for these children," he said at the annual meeting of the American Society of Transplant Physicians.

An estimated 900 children are born every year in the United States with kidney failure. Two-thirds usually die before treatment. Dr. So and colleagues at the hospital have saved 15 such infants since 1978 through transplantation. Three have died. Of the survivors, 13 are doing fine with the original graft. Two underwent a second transplant. Kidneys from living relatives inevitably work better than those from dead strangers, said Dr. Amir Tejani of the State University of New York Health Science Center in Brooklyn.

Voyager 2 Sending Back Early News From Neptune

NEW YORK (NYT) — The Voyager 2 space probe, racing toward a rendezvous with Neptune this fall, is already sending back surprising pictures of the planet.

For one thing, Neptune's light and dark spots are appearing and disappearing in ways that suggest Neptune's atmosphere is far more dynamic than had been expected. Solar energy drives atmospheric turbulence on Earth, and Neptune receives less than 0.1 percent the amount of sun that drives Earth's weather.

High Radiation Is Traced To Constellation Cygnus

NEW YORK (NYT) — Physicists in Utah have reported the highest energy radiation yet detected from a specific source in the sky. It is in the range of "x-ray" energy, a recently invented category to cover energies of 1 billion billion electron volts. It is also expressed as 10 followed by 18 zeros.

Scientists believe the source of the extremely high-

energy radiation is Cygnus X-3, which the journal *Nature* recently called "one of the brightest and most extraordinary objects in our galaxy." Cygnus X-3 is thought to be a pair of stars that, judging from their X-ray emissions, are orbiting each other every 4.8 hours. The finding was described in a report published in *Physical Review Letters* by 14 scientists at the University of Utah.

Cygnus X-3 was originally identified in 1966 as a source of X-rays in the constellation Cygnus. In 1972 it produced a gigantic outburst of radio waves. Since then detectors have shown that it is also emitting very high radiation of enigmatic nature.

Also in the Cygnus constellation, astronomers have detected an exploded star they believe may be evolving into a black hole. The star, designated V404 Cygni, is only the fourth star that astronomers have detected that seems likely to become a black hole. On May 24 the International Astronomical Union announced that Japanese astronomers had detected strong X-ray signals coming from the area of Cygnus. On May 27 it was found that V404 Cygni, last observed in 1938, had reappeared, and astronomers concluded that it was the source of strong X-ray signals.

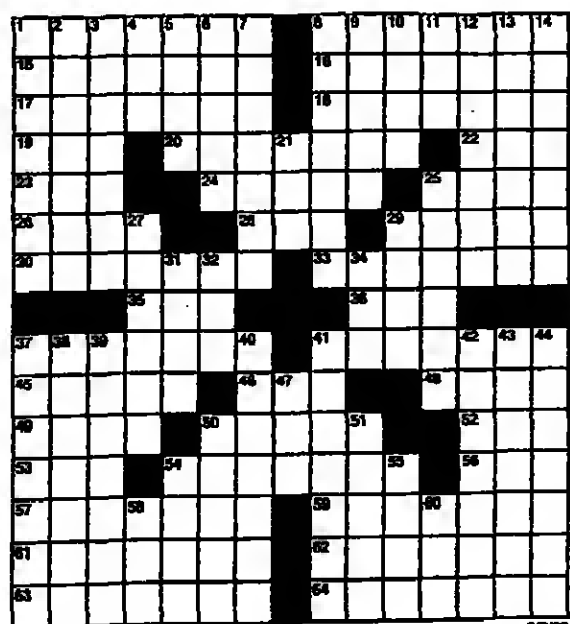
The astronomers believe that V404 Cygni, described as being similar in size to the sun, is paired with a neutron star, a star with the same mass as the sun, but squeezed into an area only 12 miles in diameter.

Virus Is Found to Increase Risk of Cervical Cancer

BOSTON (AP) — A study of more than 2,200 Latin American women concludes that infection with two varieties of the common papilloma virus doubles the usual risk of cervical cancer. It is the first major population study to estimate the increased risk of cancer in women infected with this common virus. Doctors have known for several years that papilloma viruses are associated with cancer of the cervix.

At least 60 different varieties of the papilloma virus have been identified. The kinds associated with cervical cancer in this study can be spread through sexual intercourse and perhaps other means. The study was conducted in Panama, Costa Rica, Colombia and Mexico.

- ACROSS**
- Hunting caravans
 - Suspended decorative piece
 - Chapel
 - One-celled animals
 - Spanish monetary units
 - Meat rolled and filled
 - Stool pigeon
 - Certifies
 - Ignited
 - Windmill sail
 - Weird
 - Knowledge
 - Fabray and Walker, 10 friends
 - Chess pieces
 - Sub director
 - Pearl producers
 - Crimps
 - Nigerian native
 - Bullfight cry
 - Greedy



© New York Times, edited by Eugene Malachuk.

- DOWN**
- Hoarders
 - Lemon-shaped citrus fruits
 - Former ring king
 - Astringent fruit
 - Large wading bird
 - Emulate Cicero
 - Suffix with Annam
 - Altar
 - Circuit breakers, e.g.
 - A neighbor of Fr
 - Day of rest
 - Enliven
 - Expand
 - Natural abilities
 - Male relative
 - Plantations, e.g.
 - Highest singing voice
 - Open space between buildings
 - Ties securely

- Mischievous Olympian
- Church court
- Wraithful
- Complex methods
- Task in a Latin class
- Act with feeling
- Entrepreneur
- Rio, Tex. city
- Gastropod mollusk
- Relating to zenith's opposite
- Moves unsteadily
- Sonneteer's word
- Frankie and Johnny
- What strange behavior evokes
- Cavatina
- Mother of 4 Down
- Fabulous bird of prey
- Trumpet
- Assumed names
- Quivering
- Friendly
- Made of baked clay
- Locate
- Tastefully luxurious
- Floral ribbon ornament
- Cassandra was one
- Opposite of income
- Lab vessels
- The... rock group
- Sediment
- Purifying sac
- culpa



Your success comes from taking risks.
Ours comes from spreading them for you.

Effective risk management in today's volatile market conditions requires close contact with stock markets around the world. Plus a sophisticated analysis of the political and economic pressures that move exchange and interest rates. And a keen eye for investment opportunities broader than the conventional range of options.

It demands, in short, a full-time, thoroughly professional approach.

Your Private Bank

Lloyds Bank International Private Banking offers you a complete service, with unlimited access to a personal adviser, your account executive.

This adviser will be an experienced professional with whom you can discuss problems or opportunities at any time. He or she is also part of a banking team with representation in 40 countries and contacts everywhere in the world.

To find out more, please contact Manliffe Goodbody at Lloyds Bank Plc, 1 Rue Schiller, L-2519 Luxembourg, telephone 4022121.

Cayman, Dubai, Geneva, Gibraltar, Guernsey, Hong Kong, Jersey, London, Luxembourg, Marbella, Miami, Monaco, Nassau, New York, Panama, Zurich.



Lloyds Bank International Private Banking

	Vol.	High	Low	Last	Chg.
BAT	43373	97 1/2	94 1/2	97 1/2	+ 1/2
EchoBr	3291	14 1/2	14 1/2	14 1/2	0
CMI Cr	2518	7 1/2	3	3 1/2	+ 1/2
Amul's	1677	2 1/2	2 1/2	2 1/2	0
CompCr	2544	2 1/2	1 1/2	2 1/2	0
ICH	2546	2 1/2	2 1/2	2 1/2	0
Aleri	2522	2 1/2	2 1/2	2 1/2	0
A-Sci	2622	17 1/2	15 1/2	17 1/2	+ 1/2
TuKAr	172	14 1/2	13 1/2	14 1/2	+ 1/2
MoBro	2447	27 1/2	31	31 1/2	+ 1/2
ReCar	2488	11 1/2	11 1/2	11 1/2	0

	1976	12 1/2	12 1/2	-17 1/2	+ 1/2
Brown Fruit	1968	11 1/2	11 1/2	-17 1/2	+ 1/2

AMEX Stock Index				
High	Low	Close	Change	%
344.42	340.79	344.41	+3.5	1.0

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

United Press International

NEW YORK — Stock prices rose in heavy trading on Wednesday as two major developments on the takeover front and an apparent easing of credit conditions by the Federal Reserve Board triggered a wave of selective buying.

The Dow Jones industrial average, which rose 15.62 points on Tuesday, climbed, 16.00 to 2512.32. The advance put the blue-chip index just below the 2,517.83 posted Friday, which marked its highest closing level since the October 1987 collapse.

Broader market indicators did set new post-collapse closing highs. The New York Stock Exchange composite index rose 1.41, to 182.34, and Standard & Poor's 500-stock index rose 2.71, to 326.95. The price of an average share gained 28 cents.

Advances led declines by nearly 2-1. Big Board volume totaled 213.7 million shares, compared with 185,570,000 traded on Tuesday.

Multibillion-dollar takeover bids for publishing and media giant Time Inc. and Lin Broadcasting Corp., sent these two stocks and others in related businesses soaring.

Paramount Communications late Tuesday announced it had made a \$10.7 billion, or \$175-a-share, bid for Time. The offer comes less than three weeks before Time stockholders are set to vote on a proposed merger with Warner Communications.

Also Tuesday, McCaw Cellular Communications, a major presence in the cellular telephone market, announced it had made a \$120 a share bid for the roughly 90 percent of Lin it does not already own.

Analysts said the offers, which were rumored for some time, may trigger a bidding war for the two companies. But a more immediate response was a surge in trading activity surrounding a host of potential takeover candidates.

"Anything associated with the words 'telephone,' 'telecommunications,' 'publishing,' or 'media' is being sought after," said Trude Latimer, market analyst with Josephthal & Co.

Ms. Latimer said the takeover news gave the market direction after the Dow hovered around 2,500 for the past couple of weeks.

However, she noted that investors also made some selective purchases in the broader market as a result of signs that the Fed was easing credit conditions.

Warner Communications was the most active NYSE issue, rising 1% to 53%. Paramount Communications followed, advancing 1% to 55%. Time Inc. was third, soaring 44% to 1704.

Cellular telephone stocks also rose sharply. Among them, Kacal Telecom jumped 5 to 81, Centel surged 44 to 53, Concom climbed 2% to 63%, and Century Telephone Enterprises rose 14 to 29%.

In the media sector, ABC leaped 4% to 205% and Capital Cities/CBS gained 7% to 468. McGraw-Hill, a major publishing company, tacked on 3/4 to 72 1/4.

AT&T edged up 1/4 to 36. IBM eased 1/4 to 1094. Among other blue chips, Philip Morris climbed 1% to 142 1/4, Du Pont rose 1/4 to 109%, and Aluminum Co. of America gained 1% to 66 1/4. Eastman Kodak jumped 3/4 to 504 on rumors that investor Carl Icahn may be interested in buying the company.

[illegible][illegible]

BUSINESS ROUNDUP

TW Services Accepts Raised Coniston Bid

The Associated Press
NEW YORK — TW Services Inc., which has resisted a takeover bid from Coniston Partners for nearly nine months, said Wednesday that it had agreed to a sweetened bid by the investment firm that values it at nearly \$1.65 billion.

TW's management had little comment on the \$34-a-share agreement, which suggested that the decision to accept Coniston's sweetened offer was a reluctant one.

"The only comment," said James Ryan, a TW spokesman, "is that management and their directors have worked hard to bring share-

holders value and feel that shareholders are getting a fair price for our stock. That's really all we can say."

As part of the agreement, a Coniston affiliate, SWT Associates LP, will amend its tender offer of \$29 a share, or \$1.4 billion, for TW.

The sweetened offer, scheduled to expire on July 5, provides for SWT to pay \$34 in cash for 61 percent of TW's 48.5 million shares outstanding. That would give Coniston, which owns 19 percent of TW's stock, 80 percent of the company's shares.

After the offer expires, holders of the remaining 20 percent of TW's stock would be given the choice of receiving \$34 in cash, or \$30 and stock in the surviving company.

TW is the parent of the 1,220-restaurant Denny's chain and Spartan Food Systems Inc., the largest franchisee of Hardee's fast-food restaurants. It also owns Canteen, which provides food services to corporations and clients including the National Park Service.

Coniston made its first overtures to TW in September and began its \$29-a-share tender offer in late October. The food services company has consistently rejected the bid as inadequate.

TW had earnings of \$66.9 million in 1988 on revenue of \$3.6 billion.

Coniston tried unsuccessfully to force a sale of Gillette Co. last year. In 1987, its principals — Augustus Oliver, Paul Tierney and Keith Gollust — helped force the restructuring of Allegra Corp., the parent of United Airlines.

American Air, Eastern in Talks

The Associated Press

NEW YORK — Strike-bound Eastern Airlines is in negotiations to sell its South American routes to American Airlines.

The spokesman said Eastern also has had talks on the routes with other airlines since announcing its plan to rebuild as a smaller carrier and sell about \$1.8 billion in assets.

Wall Street analysts have valued the South American routes at about \$150 million.

American, which recently added new flights to Western Europe, also has expressed interest in Eastern's Caribbean routes.



A 1988 Chevrolet Corsica: With the Beretta, it has lately been the top-selling small model in the United States.

GM Revamping Small-Car Operations in U.S.

By Doron P. Levin

New York Times Service

DETROIT — General Motors Corp., in a basic reorganization, plans to unify under one division the responsibility for the design and engineering of its small domestic cars.

The move, announced Tuesday, may eventually lead to most of GM's small cars being built on the same basic chassis.

General Motors has been struggling to find an organization that will let it respond more quickly to the increased competition that has reduced its share of the automobile market.

In 1984, it realigned into two supergroups, Buick-Oldsmobile-Cadillac and Chevrolet-Pontiac-GM Canada.

In the realignment, GM engineers, who had worked on a specific brand, like Cadillac, were lumped together in the supergroups.

But after receiving a great deal of criticism from customers and dealers that Cadillac lacked distinctiveness, GM decided to return some engineering and manufacturing autonomy to the group. The other engineers remained together.

Now, the Chevrolet Corsica and Beretta car program, which includes the design and

engineering but not the marketing of those models, will be transferred from the Chevrolet-Pontiac-GM Canada division to the small-car section of the other group.

The move is to be completed by Sept. 1, a GM spokesman said.

GM's losses in the U.S. market have been particularly marked in small cars. But the four-door Corsica and the two-door Beretta, which are considered to be one model, are extremely popular.

Lately, the Corsica and Beretta have been the top-selling car model in the country, according to industry figures.

GM said the transfer of the Corsica and Beretta would broaden the Buick-Oldsmobile-Cadillac group's scope. It has been run by J.T. Bettenberg 3d, 46, the vice president and group executive who is considered one of GM's fastest-rising executives.

The other group's vice president and group executive is Michael Mitchell, 54, who has held the job for less than six months.

Company officials said that consolidating small-car management engineering will affect only internal car systems, such as brakes and engines, which are not seen by the customer.

The management of the assembly plants in Linden, New Jersey, and Wilmington, Delaware, where the Corsica and Beretta are produced, will also shift to the Buick-Oldsmobile-Cadillac group.

GM declined to provide an estimate of how many people would be affected by the change, or whether any workers would have to relocate.

Lloyd E. Reuss, GM's executive vice president for North American automotive operations, said the transfer would be "phased in" to bring under one roof management responsibility for most of GM's family of small and compact passenger cars for the 1990s and beyond.

Under the new organization, the Corsica and Beretta models, known as L-bodies inside GM, will be managed in a group called the Lansing Automotive division, which already includes GM's other two basic small-car lines, the J-bodies (Chevrolet Cavalier, Buick Wildcat and Buick Skylark) and N-bodies (Pontiac Grand Am, Oldsmobile Cutlass Calais and Buick Skylark).

The Lansing division has about 33,000 employees.

BSN Studies Restructuring After Purchase of RJR Units

Reuters

PARIS — BSN, the largest food company in France, said Wednesday that it was considering a capital restructuring to help fund its \$2.5 billion purchase of five European units from RJR Nabisco Inc.

"We are thinking of an operation to consolidate, to restructure capital," Christian Lambie, BSN's financial director, said at a news conference.

Analysts said the restructuring would inevitably mean a capital increase. Mr. Lambie declined to specify how or when the restructuring would be made.

BSN bought five RJR European units on Tuesday.

Mr. Lambie said BSN's indebtedness would rise after the purchase to about 21 billion francs (\$3.13 billion) from 6 billion francs. "If we do not restructure our debt, we have a debt/equity ratio of 50-50," he said.

Market sources said one likely way for BSN to raise capital was for some friendly banks to exercise share warrants issued by the company in 1987. BSN issued the warrants equivalent to about 20 percent of equity capital, to protect itself against a possible takeover bid.

BSN shares fell 26 francs, to 675 francs, on the Paris Bourse. One percent of the shares had changed hands during the morning session, on market expectations that a cash call was inevitable soon to fund the acquisition.

BSN currently has around 52 million shares in issue with a nominal value of 10 francs each.

The deal with RJR made BSN the largest cookie and cracker maker in Europe. Combined revenue

for the five units is expected to total 8 billion francs in 1989, with net profit projected at 620 million.

Sold were the British biscuits business of Nabisco Brands and two British potato chip and snack makers, Walker's Crisps and Smith's Crisps. Belin, a French cookie, cracker and specialty pastry business; and Sawa, an Italian cracker and snacks maker.

BSN markets such major brand names as Evian and Bédou mineral waters, Kronenbourg and Kanterbrau beers, Canada Dry soft drinks, Pommery and Lanson champagnes, Gervais and Danone yogurts, Panzani pasta and Amora mustards and vinegars. In 1988, BSN had profit of \$326.7 million on sales of \$6.3 billion.

BSN's chairman, Antoine Riboud, said the main goal behind the purchase was to strengthen the company's position in Britain and Italy.

In Italy, BSN has bought several pasta and sauce makers in recent years to become Italy's second-largest pasta maker after Barilla.

Last year, it bought Lea & Perrins Inc. and HP Foods Ltd. from Hanson PLC.

BSN acquired the five companies from RJR Nabisco for a price representing 27 times their total earnings, Mr. Riboud said, adding, "But it would have been a fatal mistake for us not to buy."

In New York, RJR Nabisco's high-yield junk bonds rose sharply after the announcement of the sale, which is part of RJR's plan to reduce overall debt by about \$5.5 billion.

Traders said RJR's zero-coupon bonds, due 2001, rose 14 points, to 59 1/4, with its 15 percent debentures of 2001 up 1 1/2 points, to 101 1/4.

COMPAGNIE FINANCIERE DE CRÉDIT INDUSTRIEL ET COMMERCIAL

The CIC Group and Credito Italiana, which have been partners for a number of years in Banque Transatlantique, a French venture, are extending their cooperation in the financial and banking fields to West Germany.

The two banks, which are among the largest in France and Italy, have just reached an agreement, subject to approval by the authorities concerned, whereby Credito Italiana will purchase a 35% stake in CIC's subsidiary in Frankfurt, Bank CIC-Union Européenne AG, whose capital will be significantly increased as a result.

This agreement aims to strengthen the

A joint venture agreement in West Germany.

CREDITO ITALIANO BUYS A STAKE IN BANK CIC - AG FROM THE CIC GROUP

Frankfurt subsidiary in order to provide high quality support and services in West Germany to French, Italian and international customers of both groups, wishing to prepare for the single European market. With this in view, the name of the institution will be changed in order better to reflect its new orientation, and the opening of a new branch in Munich is contemplated.

This move will reinforce the presence of both banks in Frankfurt and in West Germany as a whole, and will not affect the relations of the CIC Group and of Credito Italiana with banks and financial institutions in that country.

COMPAGNIE FINANCIERE DE CIC - 52, rue de Monceau - 75008 PARIS

GROUPE CIC

Saab Will Reorganize Car Unit Management

Reuters

STOCKHOLM — Saab-Scania AB said Wednesday that it would announce a management reorganization at its car division when four-month results are released Monday.

The Swedish press has reported that Saab-Scania will cut top management from 20 to 3, but a division spokesman said "the changes will not be as dramatic."

In London, Singer May Be Next Merchant Banker for Sale

Reuters

LONDON — Singer & Friedlander Group PLC could be the next British merchant bank to fall into foreign hands after the sale last month of Guinness Mahon Holdings PLC to Bank of Yokohama, according to analysts.

Singer's stock is considered a comparatively cheap buy, and the company has two large stockholders believed to be willing sellers.

A normal bid premium of some 25 percent to 30 percent, at about 110 pence per share, would put a £250 million (\$392 million) price on the bank.

Analysts said that would make Singer more attractive than Kleinwort Benson Group PLC or Morgan Grenfell Group PLC, either of which would cost more than \$600 million.

Other financial institutions that were mentioned in the competition

for Guinness Mahon were Central Capital Corp. of Canada, Crédit Agricole and Crédit Industriel et Commercial of France, and Fuji Bank of Japan.

Two large minority stakes in Singer are held by British & Commonwealth Holdings PLC and Bishopsgate Investment Trust, a unit of Maxwell Communication Corp.

Mr. Poutney said the key stake in

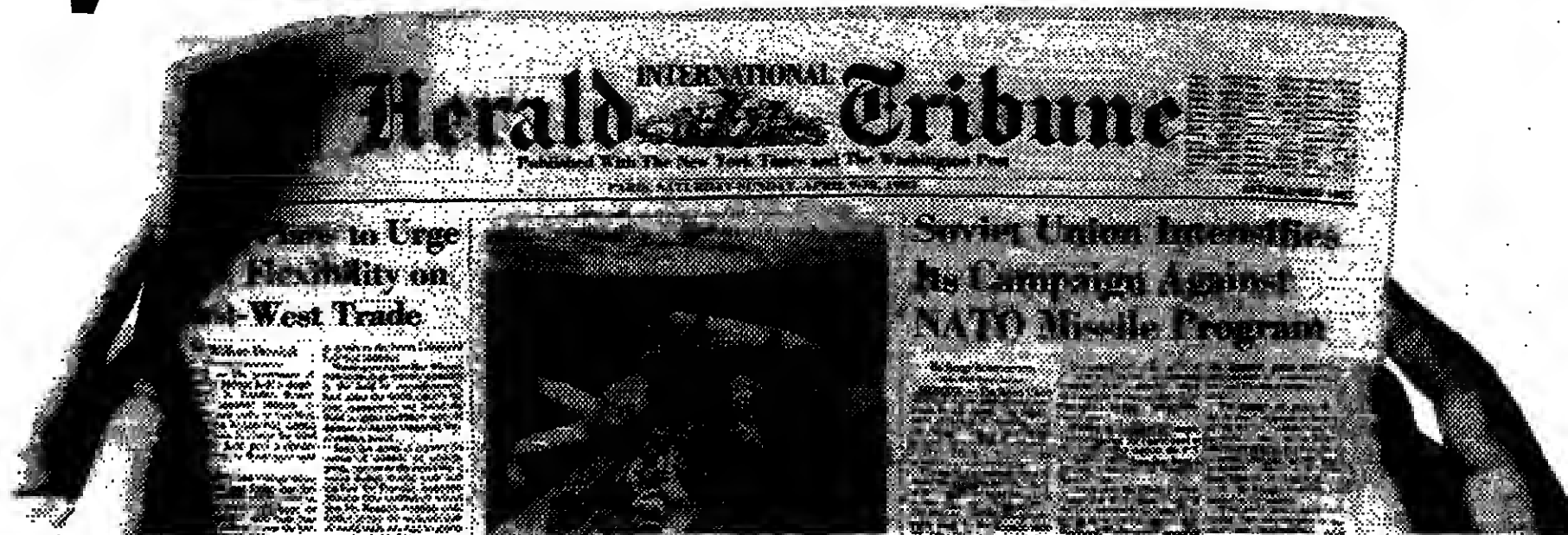
Singer & Friedlander was the 23 percent owned by Mercury Asset Management Group PLC. But B & C's 10.4 percent holding was viewed as a strategic platform to launch a bid, and market sources said the Wall Street firm, Smith Barney, Harris Upham was talking the stake.

British & Commonwealth, a heavily leveraged group, has been reducing some of its investments.

SWISS BUSINESS OPPORTUNITIES

Partners	Partners	Partners	Partners
LANDIS & GYR Telephone Division - Payphones and - Coin- and card-operated - Acquisition of call charge - Small profit - Hybrid key systems SODECO LTD. 70, Rue du Grand-Père, CH-1211 Geneva 18. Tel: +41 22 33 55 00 Telex: 22 333 sodeco ch Fax: +41 22 33 52 19 (Contact Mr. A. Daylie)	OSWALD BOLL AG CH-8702 Zollikon - Zurich. Since 1936 Tel.: (01) 391.50.80. Telex: 818 686 Fax: (01) 391 26 49. Branch Offices in Western & Eastern Europe, Asia & Overseas Your Ideal Business Partner for: - Oil Refineries - Precision Surface Finishing - Production for PCB-MC-IC - Products We are always interested in new lines and products (Contact Mr. H. Andress)	SULZER-ESCHER WYSS CH-8023 Zurich, Switzerland. Tel.: (01) 276 22 11. Telex: 822 900 11 esch. Telefax: (01) 276 22 61. The first address for: - Hydraulic Machines and Installations for Water Power Plants of all types and outputs, including Pumped Storage Stations. - Thermal Turbomachinery, with a full range of Turbo-compressors, Expanders and Gas turbines for all applications. Worldwide service organization of the Sulzer Group.	A complete range of round connectors ensuring the patented quick connect- disconnect LEMO "Push-Pull" system. The production programme includes low voltage connectors from 1 to 100 pins, as well as fibre optic, coaxial, tri-axial and high voltage connectors (single or multiple), thermocouple connectors and all kinds of combined connectors (i.e. coax + LV, HV + coax + LV). LEMO's "Universal" and "Variable" range of custom designed connectors. LEMO S.A. CH-1024 Ecublens/Lausanne Phone: (+41 21) 881 16 16 Telex: 458 122 lemo ch Fax: (+41 21) 881 16 28 (Contact Mr. J. Desponds)

The Daily Source for International Investors.



NORTHWEST LOOK

For Davis, a Change of Heart

By Bill Carter

New York Times Service

NEW YORK — One year into his job as chairman and chief executive officer of Gulf & Western Inc., Martin S. Davis said, "I don't like unfriendly takeovers, and I won't participate in them."

Circumstances clearly have changed Mr. Davis' opinion, as he proved Tuesday in beginning a hostile effort to buy Time Inc., less than three weeks before the merger of Time with Warner Communications Inc. is to be voted on by shareholders.

But change has been a policy that Mr. Davis, 61, has aggressively pursued since he succeeded Charles Q. Bluhdorn at Gulf & Western in March 1983. The change has principally come in the area of consolidation as Mr. Davis streamlined the conglomerate to make it strictly a communications company.

The change culminated in the official renaming of the corporation Monday, from Gulf & Western to Paramount Communications Inc. It is a name that brings Mr. Davis back to his roots. He joined Paramount Pictures Corp. in 1958 as a press agent. A college dropout, he began his career in Holly-

wood 12 years earlier as an office boy for the legendary Samuel Goldwyn. By 1965, when Gulf & Western acquired the studio, Mr. Davis had climbed to the post of assistant to the president.

Mr. Davis acquired a reputation as the crucial executive under Mr. Bluhdorn — and occasionally his nemesis. He had not risen to a job higher than executive vice president, but three days after Mr. Bluhdorn's funeral the Gulf & Western board promoted Mr. Davis to chief executive officer, passing over the president, David N. Judelson.

Within a month, Mr. Davis had dismissed Mr. Judelson. Within a year, he had cut the staff to 500 from 600, liquidated the \$350 million stock portfolio that Mr. Bluhdorn loved to manage and cut long-term debt by \$900 million.

While serving under Mr. Bluhdorn, Mr. Davis had specialized in tough assignments. In 1979, he took charge of the company's defense against a Securities and Exchange Commission suit charging securities-law violations. The SEC charges were settled in 1981, and Mr. Davis emerged with a new layer of sinew on his reputation for toughness.

TIME: Hostile Paramount Bid Disrupts Merger With Warner and Sends Stock Soaring

(Continued from page 1)

cash from us or no cash at all and end up with a piece of paper. What- ever the shareholders decide is the decision we'll abide by."

Paramount said the bid would be canceled if Time shareholders opted for the merger.

In a terse statement on Tuesday night, Time said, "Mr. Davis' proposal will be reviewed by Time's board, as required by law." The statement added that the company was advising its shareholders out to do anything until a decision was reached by the board.

Time said that Mr. Davis had given its chairman, J. Richard Munro, "explicit assurances" that he would not make a bid, and it termed the offer hostile.

But Mr. Davis said he had given no recent assurances that he would not bid for Time. He said the companies had conversations in 1988 and possibly 1987 about a potential amalgamation, which Time had rejected. But he said he felt Time put



Martin S. Davis

itself up for sale by making the deal with Warner.

Mr. Davis added that he would have preferred to deal directly with Time but that its merger agreement

with Warner prevented him from doing so. He said all aspects of his bid remain open.

Warner has not commented on the development, which appears to be a major blow for it. The Time deal had been widely viewed as a significant achievement for the Warner chief executive, Steven J. Ross, who would gain an estimated \$88 million if the merger took place as well as the title of chairman of the new company for the next decade.

"Steve made too good a deal, and he put Time in play," said one entertainment company executive. "I'm surprised it took them this long."

Harold Vogel, who follows entertainment companies for Merrill Lynch & Co., said the bid would provoke "a much lengthier battle than Time and Warner had anticipated."

John Reidy, a media analyst at Drexel Burnham Lambert Inc., said the Time-Warner deal was seen as a friendly merger "that created a powerhouse media company that appeared to be blessed by

Congress and most other regulatory authorities." Mr. Davis said he did not think there would be regulatory problems with his bid.

Mr. Reidy noted, "There have been no hostile takeovers of well-run media companies."

Paramount already has gone to court, unsuccessfully seeking Wednesday to void a stock-swap agreement that would give Warner an 11 percent block of Time. A Delaware chancery court judge, William Allen, said Paramount was premature in seeking such a motion, but he scheduled a hearing on the matter for Friday.

To finance its bid, Paramount said Citibank had agreed to provide \$1 billion of financing. Paramount said it would assemble a group of lenders that could provide the rest.

In April when it announced it was changing its name from Gulf & Western, Paramount said it planned to sell Associates Corp. of North America, its finance subsidiary. The company said it would use the pro-

ceeds of the sale, estimated by analysts at about \$3 billion, to expand its communications business.

Combined, Paramount and Time would have sales of about \$8.6 billion, slightly smaller than the merged Time-Warner at \$9.1 billion, and in either case larger than the next-largest media and entertainment competitor, Bertelsmann AG of West Germany, which has about \$6 billion in annual sales.

Both combinations appear to be similar in terms of their operations, although Paramount has larger publishing interests than Warner and has no cable systems. Warner owns many cable systems.

Besides Paramount Pictures, Paramount Communications owns the Madison Square Garden sports and exhibition center in New York, the New York Knicks basketball team and New York Rangers hockey team, the MSG cable network and the book companies Simon & Schuster and Pocket Books.

Time is the largest U.S. magazine company.

MARX: Radical Economists Become Isolated From the U.S. Mainstream

(Continued from first finance page)

today's radical economists were graduate students.

These days, however, Marx's ideas are more likely to be discussed in the philosophy, history and sociology departments than in economics.

Although introductory courses on Marxist economic thought exist at a number of liberal arts colleges, graduate students can study his work at only a handful of smaller schools, such as American University, the New School for Social Research in New York, the University of Utah and the University of Massachusetts at Amherst.

Marxist economists have their own journal and academic organization, but some say these are merely vehicles to preach to the faithful. "You can't get tenure if you don't publish in the mainstream journals," said one Marxist, a tenured professor who asked not to be identified. "If you have views that don't correspond to the mainstream point of view, you won't get published."

With few departments offering permanent positions, a number of those who studied radical viewpoints as graduate students have left academia. Some have joined private enterprises or government agencies, where traditional modes of economic analysis are the rule. And though some have beaten the odds to establish themselves in academia, the ranks of younger scholars do not appear to be teeming.

Ethan Hershaw, secretary of the American Economics Association, the profession's umbrella organization, said that the Marxists had not produced "a really distinguished younger member" recently.

Mr. Hershaw and even several Marxist professors regard Paul M. Sweezy, a former Harvard professor whose best work appeared in the 1940s, '50s and '60s, as the most recent of the great American radical political economists.

Billazonick, an economic historian at Barnard College, said Marxist's relative lack of

acceptance in American academia has historical roots. Unlike European nations, where radical economic scholarship is more widespread, the United States has never had enough of a labor-based political movement to support the study of socialism.

But mainstream economists cite a more concrete reason for Marxism not achieving higher stature: The failure of Marx's ideas to work in practice.

Marxist economists "are dormant, they are irrelevant," said John M. Letich, a professor of international economics at the University of California at Berkeley.

"They haven't kept up to date with the world," he said. "They have no solutions."

The stagnation of socialist, centrally planned economies, especially that of the Soviet Union, demonstrates a need to reject Marxist elements, Mr. Letich said.

In his voluminous work, Marx never spelled out precisely how a socialist economy would look or how it would be managed. Rather, his philosophy is an extended critique of capitalism and its discontents.

Marx's basic idea was that the economic relationships among people are the underlying basis for a society, and from these relationships grow a society's politics and social ideology. History, he said, is a series of conflicts between economic classes.

Marx wrote that in capitalist societies, those characterized by private ownership of the means of production and the rule of supply and demand, two major classes inevitably evolve: the working class, or proletariat, and the wealthy, capital-owning bourgeoisie.

The bourgeoisie, in his view, exploits the worker class by hoarding the profit of their labor.

Marx saw this arrangement as essentially unstable, saying that it eventually would lead the working class to launch a violent rebellion against its exploiters. In the new society that

results — "a dictatorship of the proletariat," Marx called it — ownership of the society's resources would be shared by all and class distinctions would disappear.

For Marx, capitalism would inevitably sow the seeds of its own destruction. "The bourgeoisie produces its own grave diggers," he wrote.

Although the revolutions that wracked the Soviet Union and China earlier in the century were undertaken in the name of Marx, modern-day Marxists are usually quite critical of the Communist societies that have emerged, particularly with their emphasis on central planning and authoritarian rule. These features were the work of revolutionaries such as Lenin, Stalin and Mao, not Marx.

"Those who claim that the Soviet Union or China somehow reflects a Marxist ideal simply haven't read Marx," said John Willoughby, a radical economist at American University.

Mr. Hahnel added, "In the overall sense, I think he'd be greatly disappointed and horrified."

Indeed, the dominant strain of thought among modern Marxists is the idea of "market socialism," in which the means of production are owned by worker co-ops or worker organizations and the economy is directed by market forces rather than by a central bureaucracy.

Rather than viewing the developments in China and the Soviet bloc as the ultimate triumph of capitalism, the Marxist perspective is that these countries are moving toward the economic structure that Marx himself would have welcomed.

"For the first time in 60 or 70 years," Mr. Hahnel said, "these countries are considering major changes that can preserve public ownership, increase participation in democracy and expand on the fairness and egalitarianism that characterizes these economies."

"Many of us have been hoping for this kind of opening up. We have been saying all along that centrally planned economies and one-party political systems were disasters."

ADVERTISEMENT

MEXICO'S VIEW ON MR. JOHN REED'S RESERVATIONS

By Luis Tellez

General Director of Financial Planning, Mexican Ministry of Finance.

In a recent interview (published in the Wall Street Journal), Mr. John Reed, chairman of Citicorp, set out his views on Mexico's debt negotiation with its creditor banks. His remarks, as he himself recognizes, address the issue solely from a banker's perspective. The focus of his attention is not the central problem of Mexico's foreign debt but rather certain issues of secondary relevance. In his review of the situation, Mr. Reed unfortunately omits to give an objective appraisal of the proposal Mexico has put forward, of its origin, of its objective and of its relation to the new debt strategy outlined by Secretary Brady.

It is clear from reading the interview that Mr. Reed forgets the fact that Mexico has enacted one of the most successful economic adjustment programs in the last 50 years, for which the Mexican population has had to pay a high cost, and that growth will not resume unless the debt overhang is eliminated.

Mexico's debt increased heavily after the second oil shock. At that time, banks were eager to join Mexico in the development of its oil resources and its economy. The oil was taken to be excellent collateral, given that oil price forecasts for the mid-eighties stood at around 50 dollars per barrel. However, oil prices fell dramatically and real interest rates increased, reducing the profitability of the investments jointly undertaken by Mexico and the banks. Between 1982 and 1988, the overall terms of trade of the country fell by an accumulated 40 percent. This massive drop reduced Mexico's capacity to pay despite successful structural adjustments undertaken by the Mexican government. It is in this sense that there is a debt overhang. Debt service requirements are above the economy's capacity to pay. To solve the problem, it is necessary to reduce the stock of debt to a level compatible with the economy's possibilities and not to increase it above an already unsustainable level.

I would like to mention here some facts missing from Mr. Reed's exposition which are essential to the overall picture of Mexico's debt problem. For example, it is not pointed out in the interview that the Mexican proposal is based on an Economic Program already approved by the Bretton Woods Institutions. This is as clear a show of confidence as any of its internal consistency and viability. Mr. Reed makes no mention of the fact that Mexico comes to the negotiating table after having applied a serious and comprehensive program of macroeconomic adjustment and structural change. He conveniently overlooks the fact that over the last six years Mexico has adopted a fiscal adjustment equivalent to more than two fully-funded Gramm-Rudman Acts. He barely mentions the fact that Mexico has completed a process of trade and foreign investment liberalization that has transformed the economy from being traditionally protected into one of the most open economies in the world. Most importantly, the enormous sacrifices of the Mexican people, whose per capita income has dropped 18 percent since 1982, is not mentioned.

I would like to comment on some technical matters present in the interview.

His view with respect to debt-equity swaps seriously underestimates their macro- and micro-economic impacts. Let me just mention four of the most important problems:

1. Mexico has learned from experience that swaps have a large budgetary impact to the extent that they imply both a prepayment of debt and a subsidy to investment. Thus, swaps not only add to inflationary pressures through potential monetization but also have a large impact on the loanable funds markets.

2. Another important macroeconomic dimension is the fiscal cost implied by the fact that swaps are an exchange of relatively low cost external debt for relatively expensive domestic debt, thus adding a further negative impact to the operational deficit of the public sector.

3. Swaps can have a very serious microeconomic impact. Typically, as a result of their negative impact on public finances, the Monetary Authorities have to ration these types of operations. This rationing creates the following problem: many potential entrants to the program interested in the subsidy implicit in the swap have to be excluded. Instead of proceeding with their

investment plans, they postpone their projects and wait for the next round of swaps. Consequently, swaps which were conceptually conceived as being a device for promoting investment and up being a mechanism that inhibits total direct foreign and domestic investment.

4. Since it is impossible to reserve swaps for foreigners, the participation by Mexican nationals in a swap program could lead to considerable pressure on the exchange markets, as dollars are bought to pay for the operation.

To sum up, swaps are bad economics and bad economic policy. They introduce large distortions to investment and production incentives, they mean unjustified subsidies and can seriously threaten the fiscal correction and stabilization effort of any country.

I would like to clarify some of the figures contained in the interview relating to Mexican domestic debt. The interview states that Mexican real interest rates are too high simply because domestic debt is too large. I would like to answer this claim in two ways. Firstly, I would like to make some international comparisons with countries that have much lower real rates. For instance, the ratio of domestic debt to GNP of 25% for Mexico compares very favorably with the corresponding numbers for the United States (37.2%), Italy (58.9%), and England (42.8%).

A more plausible explanation of the situation has to do with the constraints imposed on Mexico by the external debt overhang. Contrary to what is stated in the article, real interest rates are high because the external debt burden creates exchange rate uncertainty, which leads to a premium being paid to holders of peso-denominated instruments. High real interest rates in Mexico are a problem of expectations and not of public finance fundamentals. As soon as the debt overhang disappears, real interest rates will certainly go down. To understand this, it is useful to remember a basic lesson from the monetary experience of open economies, which is that when financial capital is mobile, internal debt liquidation means capital flight and not lower interest rates.

With respect to the direction of causality between the debt overhang and capital flight, I disagree with his assertion that capital repatriation will occur if Mexico pays more not less to the banks. To see the basic flaw in this type of reasoning, it suffices to note that capital flight takes place when there is exchange rate uncertainty and, consequently, when there is a significant difference between the capacity to pay of an economy and the size of its external obligations. Thus, if Mexico continues to transfer abroad a significant fraction of its production while sacrificing investment and growth, the uncertainty will remain as expectations of insolvency are validated in the end. On the other hand, eliminating the debt overhang will restore the potential for a sound recovery, breaking the vicious cycle of capital flight and stagnation and detaching a virtuous cycle of capital repatriation and economic expansion. In this light, capital repatriation is by no means a condition for the solution of the debt problem but, quite the opposite, it is the consequence of a return to prosperity.

The Brady initiative is consistent with Mexico's proposals and objectives. It represents a sensible solution to the developing country debt problem in recognizing the need to eliminate the debt overhang as a necessary condition for the normalization of business relations between creditor and debtor nations, within a market oriented framework.

For Mexico, the debt crisis is much more than a discussion of swaps or of the return of flight capital. It is a story of adjustment, of an extraordinary effort to transform an economy and of the hopes of millions of Mexicans for an opportunity to increase their standards of living.

All parties involved should begin to look at the situation from both sides. We created the debt problem together; therefore, it is up to both debtors and creditors to find the way out. It is time for banks to recognize what the secondary market has been saying for years. We should all realize that there is much to gain by acting together. If banks insist on keeping their eyes closed to economic realities there will be no winners.

ECONOMY: Soviets Set 50% Cut in Ministries to Improve Management

(Continued from page 1)

prospects for East-West trade. He did not elaborate.

Dozens of ministries with millions of workers have supervised most aspects of Soviet life, from production of shoes to steel, from toothpaste to wheat, at great cost, inefficiency and bureaucratic confusion.

As Mr. Aganbegyan addressed the conference, the legislature was voting to reconfirm Nikolai I. Ryzhkov as prime minister, the first step toward a new government.

Soviet officials said privately that Finance Minister Boris I. Gostev was expected to lose his post.

Mr. Gostev, who came under attack by legislators last year over his plans to tax cooperative businesses, was among the first senior officials to face opposition from a Soviet public increasingly frustrated by the failure of perestroika to ease shortages.

Last week, Mr. Gorbachev singled out the Finance Ministry for criticism.

Officials said in private that Leonid I. Abalkin, a leading economist of the Gorbachev program, was expected to be named to head a new

government commission on the changes, becoming a deputy prime minister.

Mr. Gorbachev has previously reshuffled the government in an effort to trim the bureaucracy, notably combining several ministries into a superministry for agriculture, Cosagroprom, shortly after he took office in 1985.

A 50 percent cut in the number of ministries would represent by far the most drastic change to date.

At the economic conference, co-sponsored by the International Herald Tribune, the Soviet Chamber of Commerce and Ekonomicheskaya Gazeta, the Soviet economic weekly, Soviet officials presented a gloomy assessment of the first three years of restructuring, describing mounting inflation and a severe budget deficit.

Vyacheslav K. Senchagov, a deputy finance minister, confirmed Mr. Aganbegyan's estimate that inflation reached at least 8 percent in 1988, taking into account rising official and black market prices and the growth of the surplus money supply due to shortages of goods and food.

This is in line with Western estimates, although Soviet and West-

ern economists at the conference agreed that the essence of reliable statistics made it impossible to assess the economy's true state.

Ed Hewitt of the Brookings Institution in Washington, an expert on the Soviet economy, called for a total overhaul of the statistics system as a first step. "This is a country that may not know the real rate of inflation," he said, adding that without reliable economic indicators, it was impossible to proceed.

Mr. Aganbegyan and others said that statistics were being revised to conform to world standards, in part to ease Soviet entry into world bodies like the General Agreement on Tariffs and Trade.

Describing the economic situation as an "abyss," Mr. Aganbegyan, an architect of economic policy in the early years of restructuring, said the Soviet budget deficit exceeded 100 billion rubles, or \$160 billion at the official exchange rate.

In the budget for 1989, the first to acknowledge a deficit, the figure was set at 35 billion rubles.

Mr. Senchagov said that easing the budget deficit would involve a

cutback on capital investment, reductions in military spending, streamlining administrative personnel and sales of bonds to the Soviet public to finance the production of consumer goods.

Asked about the figure of 77.3 billion rubles given by Mr. Gorbachev last week as the current level of military spending, Mr. Senchagov said this represented less than 10 percent of the Soviet gross national product, which he put at 866 billion rubles. But he acknowledged that distortions in the Soviet pricing system made it difficult to compare Soviet military spending with that of the West.

Western speakers, including Helmut Schmidt, the former West German chancellor, and Jack F. Matlock, the U.S. ambassador to Moscow, expressed strong hopes that Mr. Gorbachev's restructuring drive would succeed, although they differed on the degree to which the West could help.

Mr. Schmidt urged greater Western input through training of Soviet managers, advice on inflation control, increased credits for the production of consumer goods and continued arms control efforts.

NORTHWEST

By the beginning of the next century
hypersonic air travel
to travel the globe in just a fraction
of the time it takes today. At Northwest we
believe in the future. That's
association with NASA, and fully

PEOPLE WHO WANT TO

LOOK TO US NORTHWEST AIRLINES

Direct flights from Amsterdam, Copenhagen, Frankfurt, Glasgow, Prestwick, London, Gatwick, and Paris to Boston, Detroit, Minneapolis/St. Paul or New York.

[illegible]

13 **14** **15** **16** **17** **18** **19** **20** **21** **22** **23** **24** **25** **26** **27** **28** **29** **30** **31** **32** **33** **34** **35** **36** **37** **38** **39** **40** **41** **42** **43** **44** **45** **46** **47** **48** **49** **50** **51** **52** **53** **54** **55** **56** **57** **58** **59** **60** **61** **62** **63** **64** **65** **66** **67** **68** **69** **70** **71** **72** **73** **74** **75** **76** **77** **78** **79** **80** **81** **82** **83** **84** **85** **86** **87** **88** **89** **90** **91** **92** **93** **94** **95** **96** **97** **98** **99** **100**

[illegible]

Now that you've arrived, enjoy the view... The Gold Card

SHERIDAN MORLEY
IN THE EVERY WEDNESDAY WITH
PERCEPTIVE CRITICISM

Wednesday's NASDAQ Prices

Prices as of 4 p.m. New York time.
This list, compiled by the AP, consists of the 100 most traded securities in terms of dollar volume.
It is updated twice a year.
Via The Associated Press

By AP Wire
100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

100 Most Traded Securities

CURRENCY MARKETS

Dollar Edges Higher in New York

Reuters
NEW YORK — The dollar closed slightly higher Wednesday on what dealers said was technical buying spurred by the currency's ability to hold above the 1.96 Deutsche mark level.

Earlier, the dollar dipped briefly to 1.9595 DM following signs in the U.S. money markets that the Federal Reserve Board is in the process of easing its credit stance.

Dealers said a decline in the key federal funds rate, to 9.5 percent on Wednesday from a recent average of 9.625 percent, was taken as a sign the U.S. central bank is prepared to allow short-term U.S. interest rates to fall.

The dollar closed at 1.9732 DM, up from 1.9715 DM on Tuesday, and at 142.83 yen, up from 142.63 yen.

The British pound eased to \$1.5735 from \$1.5745.

The U.S. unit also closed at 1.7098 Swiss francs, up from 1.7085 francs, and at 6.7000 French francs, up from 6.6990 francs.

Gold, which surged \$12.00 an ounce Tuesday, fell \$3.80 Wednesday to close at \$376.10.

London Dollar Rates

Currency	Unit	Rate
Deutsche mark	100	142.83
Pound sterling	100	142.63
Japanese yen	100	142.63
Swiss franc	100	142.63
French franc	100	142.63

Source: Reuters

Dealers said the turmoil in China has been underpinning the dollar but that the easing in the federal funds rate — charged on overnight interbank loans — which narrowed the interest-rate differentials between the United States and other industrial countries, has eroded the currency's investment attraction.

Although most dealers said the decline in the rate was an important sign of a change in Fed policy, many said the central bank would wait for further data on inflation before making a more definitive move.

"If there's any type of direction, it might be a bit to the downside, at least until we get another catalyst," said Frank Fusareri, a dealer at Bank of Boston.

An important indicator will be data on producer prices for May, which are to be released Friday.

Central Banks Stress Price Stability

By Carl Gewirtz

MADRID — The world's leading central bankers admitted Wednesday they have little control over volatile exchange rates and said their main goal in coordinating policy are to stabilize prices and sustain economic growth.

The central bank officials also stressed that currency market traders who tried to glean the intentions of the Group of Seven industrial nations from central bank intervention or the lack of it would be erring.

"It's not possible to prevent exchange rate movements when you have a flexible system," said the governor of the Bank of England, Robin Leigh-Pemberton, at the closing session of a three-day International Monetary Conference, the annual meeting of the 100 largest banks in North America, Western Europe and Asia.

Mr. Leigh-Pemberton and the U.S. Federal Reserve Board chairman, Alan Greenspan, the Bundesbank president, Karl Otto Pöhl, the Bank of France governor, Jacques de Larosière, and the Bank of Japan's deputy governor, Takehiko Ohira, also indicated there was no need to become upset about fluctuations in foreign exchange rates as long as the volatility does not impede the flow of investment capital.

Mr. Leigh-Pemberton said that

the object of policy coordination is to prevent currency movements "that inhibit or set back investment flows" or that risk harming non-inflationary growth.

Neither Mr. Greenspan nor Mr. Pöhl participated in the post-meeting news conference. But participants said that Mr. Greenspan believes that the dollar's recent rise does not have fundamental consequences for the U.S. economy and is "not likely to go raging on."

Although the central bankers had no particular explanation for the sudden strength of the U.S. currency, they insisted that its rise in no way alters the on-going policy coordination that the United States, Japan, West Germany, Britain, France, Canada and Italy have been implementing since 1985.

The main message of the central bankers was that currency fluctuations and central-bank interventions are not the standards by which markets should attempt to judge the Group of Seven's continuing commitment to coordinating policy.

The lack of intervention in 1989 is not comparable to the absence of intervention in the early 1980s, when exchange rates were left loose to find their own levels, because now the Group of Seven governments "are on the same wavelength," Mr. de Larosière said.

"They understand the problems

Economists said they expected the indicator to show a 0.4 percent rise for May, or an annualized 5.7 percent increase.

Dealers said the Fed may also await data on U.S. consumer prices, which is scheduled for release on June 19.

Fed officials themselves have given few hints about the current direction of monetary policy.

Martha Seger, a Fed governor, said Wednesday she was pleased with the reduction in the funds rate but declined to say whether the move had gone far enough.

Alan Greenspan, the Fed chairman, reportedly told a meeting of bankers in Madrid this week that the U.S. economy was headed for a "soft landing" but — according to bankers present — he provided no confirmation that the central bank was about to let interest rates fall.

Earlier in London the dollar closed lower amid increasing speculation that the Fed has eased its credit policies.

The dollar closed at 1.9640 DM, down from 1.9780 DM on Tuesday, and at 142.55 yen, down from 143.20 yen.

\$6.3 Billion Promised for Mexico Debt

By Hobart Rowen

Washington Post Service

MADRID — At least \$6.2 billion will be made available by international loan agencies and the Japanese government to finance the reduction of Mexico's foreign debt and interest payments, E. Gerald Corrigan, president of the Federal Reserve Bank of New York, said Wednesday at a meeting between Mexico and its commercial bankers.

"There is clear pressure emerging from the U.S. government to find a solution for Mexico's problems," said one official who attended the meeting. "The debt issue will come up at the economic summit in Paris next month, and the Bush administration wants a deal for Mexico before then."

No official announcement was made about the proposed debt-reduction funds, but it was learned that Mr. Corrigan outlined firm commitments of \$1.7 billion each from the World Bank and the International Monetary Fund, and of \$2.4 billion from Japan for a total of \$6.5 billion.

The World Bank and the IMF said they are willing to raise the ante to \$2 billion each. Mexico is expected to generate the additional funds of its own, and Enrique V. Iglesias, president of the Inter-American Development Bank, said he is ready, for the first time, to commit significant IADB funds for Mexican debt relief, subject to the approval of his board of directors.

At the end of a three-hour meeting with Mr. Corrigan and the heads of the major international financial institutions dealing with Latin America, Mexico's under secretary of finance, Angel Gurría, and William R. Rhodes, co-chairman of the Bank Advisory Committee for Mexico, issued a statement saying "the stage for rapid progress" had been set for discussion of a new financing program for Mexico.

The statement said the two sides would continue their discussions Thursday in Madrid, then reconvene Friday in New York "with a view toward reaching prompt agreement in principle on a term sheet on an overall 1989-1991 financing program."

Still, a large gap remains between Mexico's demands for a 50 percent discount on its old loans and the advisory committee's offer of 22 percent.

Wednesday's meeting was arranged by Mr. Corrigan. Many of the commercial bankers on the advisory committee had been in Madrid attending the annual three-day International Monetary Conference.



HYPOBANK INTERNATIONAL S.A.

Quality Results

In 1988, its 17th year of operations, Hypobank International S.A. achieved another year of healthy growth.

The bank's balance sheet total increased by DM 102 million — to DM 7.62 billion. Its loan portfolio showed a strong concentration (more than 69%) in Western Europe, with particular emphasis on West Germany.

Private banking activities saw an especially positive development, as deposits from private clients more than doubled. As part of its complete range of investment services and instruments, the bank also offers options and financial futures.

At year-end 1988, share capital was unchanged at DM 80 million, with capital and reserves amounting to DM 234 million. The bank's shares are held by Bayerische Hypothek- und Wechsel-Bank AG, Munich.

For your copy of our 1988 Annual Report, we invite you to contact us at:

HYPOBANK INTERNATIONAL S.A., 37, bd du Prince Henri, P.O. Box 453, L-1724 Luxembourg, Telephone: 4775-1, Telex: 15 70.

Highlights of the Balance Sheet for 1988

in million DM	
Assets	
Balances with banks	3,517
Balances with customers	3,713
Securities	234
Other financial and capital assets	156
Total Assets	7,620
Liabilities	
Deposits and current accounts	6,625
Capital and reserves	234
Others	761
Total Liabilities	7,620

HYPOBANK
INTERNATIONAL
Société Anonyme
Banque Agréée
Luxembourg

SPORTS

Pistons' Depth and Defense Stop Lakers

By Clifton Brown
New York Times Service
AUBURN HILLS, Michigan — The Detroit Pistons were a little healthier, a little deeper and a lot better than the Los Angeles Lakers Tuesday night.

NBA FINALS: GAME 1

The first game of the National Basketball Association championship series.

It ended the Lakers' 11-game playoff winning streak and gave the Pistons a 1-0 lead in the best-of-seven-game series.

The second game will be played Thursday night at Detroit.

Detroit, which has held its playoff opponents under 100 points in all 14 games, never trailed in the second half and built a 20-point lead, 79-59, in the third quarter.

Isiah Thomas was the catalyst, penetrating to the basket, passing to teammates, hitting shots whether he was wide open or had a hand in his face, and finishing with 24 points.

And while Detroit got offense from all nine of its top players, the Lakers' offense was basically a two-man show — Magic Johnson and James Worthy, who had 17 points apiece.

Their Laker teammates were el-

ther stymied by Detroit's aggressive defense or hampered by foul trouble. The Lakers also looked rusty, not having played a game since May 28.

An 8-0 run by the Lakers pulled them to within 79-67, early in the fourth quarter. But from that point, Vinnie Johnson took over.

He scored 10 of Detroit's next 12 points, capping the spurt with an acrobatic left-handed layup that put Detroit ahead, 91-73.

The sellout crowd rose to its feet chanting "Beat L.A.! Beat L.A.!" The Lakers called timeout, but it was too late, and Los Angeles expected defeat for the first time since April 15.

The strong performance of Detroit's bench was a major key to victory. James Edwards, Dennis Rodman, John Salley and Vinnie Johnson were active on the boards, scored timely baskets and never let the Lakers rest.

The Pistons' defense has carried them throughout the playoffs, but their offense was inconsistent in the Eastern Conference finals against the Chicago Bulls.

But Tuesday night, the Pistons were sharp. Their ball movement was excellent, they shot well from outside and they rebounded with fury.

To beat the Lakers, Detroit believes it is crucial to win the first two games at home, before traveling west for the next three games.

By winning Tuesday night, the Pistons put added pressure on the Lakers to win Thursday. Los Angeles has not beaten Detroit this season, having lost both games to Detroit during the regular season.

The Pistons dictated play with their defense and aggressiveness during the first 24 minutes and led at halftime, 55-48.

A Detroit substitute, James Edwards, had 9 points and Dennis Rodman led all rebounders with 7 in the half.

The Lakers played without the starting guard Byron Scott, who suffered a partial tear in his left hamstring during practice Monday. Michael Cooper started in place of Scott.

Scott's absence, coupled with the team's severe foul trouble, disrupted the Lakers' entire substitution pattern.

Cooper, Orlando Woolridge, Kareem Abdul-Jabbar and A.C. Green all committed three fouls in the first half.

The Lakers' coach, Pat Riley, who has been relying on only eight players throughout the playoffs, was forced to use his bench more than he wanted.

Tony Campbell, who rarely sees action, played 11 minutes in the first half, missed all three of his field-goal attempts and both free throws in the half and spent much of that time trying to defend Thomas.

It was a mismatch. Thomas led all first-half scorers with 16 points and 7 assists, penetrating past Campbell with ease.

Four straight points by Thomas on a driving basket and two free throws gave Detroit its biggest lead at 46-35 with 3 minutes 32 seconds left in the half.

A 5-point Laker run in which Michael Thompson hit a field goal and Magic Johnson a 3-point play cut the lead to 49-46 with 58 seconds to play.

But consecutive baskets by Bill Laimbeer and Rodman put Detroit up 53-46. Jeff Lamp and Rodman then traded baskets.

With Scott gone and Abdul-Jabbar in foul trouble, Johnson and Worthy had to carry the Lakers' offense. Johnson had 12 points and 8 assists in the first half, and Worthy added 11 points.

But nothing came easy for the Lakers. Detroit charged the offensive boards, keeping the Lakers' fast break from getting started.

And Los Angeles found the Pistons' relentless defense suffocating.

The Pistons came into the game having held the opposition to fewer than 100 points in all 13 of their playoff games.

And at halftime, Detroit was on target to make the Lakers its next victim.

Magic Johnson created the game's fourth tie at 18-18 on a layup with 3:07 left in the first quarter. Then the Pistons reeled off 6 consecutive points on jumpers by Edwards, Thomas and Joe Dumars.

That gave them a 24-18 lead with 1:39 left in the period and they led by 22-22 entering the second quarter.

The day started badly for the Lakers when they learned that Scott would be sidelined at least until Sunday's game and could miss the entire series.

"It's very frustrating to be in a situation where I might not even play," Scott said. "I've felt twinges before, but not as severely as this. I'm trying to be as optimistic as possible. I'm just hoping it heals a little faster."

Ley to Coach NHL Whalers

The Associated Press
HARTFORD, Connecticut — The Hartford Whalers named Rick Ley, a former Whalers captain, as the National Hockey League team's sixth coach on Wednesday.



Longtime friends and NBA foes, Isiah Thomas and Magic Johnson exchange a traditional kiss before the Pistons-Lakers game.

SIDELINES

Budd Quits International Running

JOHANNESBURG (UPI) — Zola Budd, the South African runner who competed internationally on a British passport, announced her resignation Wednesday from international competition.

Thirteen months after returning to South Africa to recover from what was described as nervous exhaustion, Budd, 23, said at a news conference that she would settle in the central South African city of Bloemfontein with her husband, Mike Pieterse.

Nashwan Wins 210th English Derby

EPSOM, England (AP) — Favored Nashwan broke away from the pack in the final two furlongs and easily won the 210th running of the English Derby on Wednesday to give jockey Willie Carson his third victory in England's most famous thoroughbred race.

Termon, a 500-1 shot, finished second to become the longest shot ever to place in the 1 1/2-mile (2.4-kilometer) race. Cocoechee, a son of Alydar, finished third.

Nashwan, owned by Hamdan al-Maktoum, became the first horse to win the English thoroughbred double of the 2,000 Guineas and the Derby since Nijinsky did it in 1970.

For the Record

Bayer Munich climbed a record 11th West German soccer league championship on Tuesday when its closest rival, Cologne, dropped a point in a scoreless tie against the Stuttgart Kickers.

Columbian cyclist Leonel Correa was expelled from the Tour of Britain on Wednesday for failing to attend a mandatory drug test. (Reuters)

NBA's Fast Friends

3 Buddies Are Forced to Part Ways With Championship Ring on the Line

New York Times Service

AUBURN HILLS, Michigan — When Earvin (Magic) Johnson strolled to midcourt before Tuesday night's game, he exchanged kisses with Isiah Thomas and Mark Aguirre.

Then Johnson ignored his two closest friends and did everything he could to lead Los Angeles to another championship, although he failed in the first game.

In the championship series, there is no room for friendship between opponents. Not even friends as close as Johnson, Aguirre and Thomas.

"I don't think the three of us will really be able to enjoy all this until it's over," said Thomas, the Detroit Pistons' All-Star point guard. "I think it would be more special if we won, because then we could all say we have a championship ring, even though Earvin has more."

"For three friends, as close as we are, to all walk out of the NBA healthy, young and with a ring would be a hell of an accomplishment as individual people. That's what I want."

The friendship of Johnson, Thomas, and Aguirre is one of the more ironic twists of this year's National Basketball Association championship series.

Thomas and Aguirre have been friends since they were teenagers in Chicago. Then, after Thomas joined the Pistons, he and Aguirre spent summers playing basketball in Johnson's hometown of Lansing, Michigan.

Johnson has won five NBA championships and two most-valuable-player awards and is one of the game's greatest players.

While they have always been happy for Johnson, Thomas and Aguirre have long waited for a championship of their own. And when Aguirre was traded to the Pistons from Dallas in February, it gave them a chance to win a championship together.

"To play in the finals, after watching it for so long, is a thrill," said Aguirre, Detroit's 6-foot-6-inch (1.98-meter) forward. "I always prayed it would happen, and I always wondered if I'd ever get the chance. Now that it's here, I want to capitalize."

Thomas had his best chance last year, when the Pistons made the finals but lost to the Lakers in seven games.

Thomas suffered a severely sprained ankle in the sixth game, then limped through the final game, only a shadow of himself. He still remembers the anguish of losing. "I remember going over to the Lakers' locker room, and I stole two bottles of champagne — one for me and one for Bill Laimbeer," Thomas said. "I came back, sat at my locker, and popped the cork. I figured we deserved a drink just as much as they did."

"Then Laimbeer and I went into the shower. We had our cry. Then we looked at each and I said, 'If we're in the finals next year, and there's a seventh game, then it's going to be at our place. We're going to finish with the best record in the league and get the home-court advantage.'"

"I don't think the three of us will really be able to enjoy all this until it's over."

Isiah Thomas, Detroit guard

While Thomas and Johnson are proven pressure performers, Aguirre may have more to prove. He was averaging just 14.2 points a game in the playoffs going into the finals, and Detroit will probably need more offense from Aguirre to beat the Lakers.

"Anybody would love to score and play well against the Lakers, especially in the finals, and I can do that," Aguirre said before scoring 12 points in the first game.

"But I have to look at what's going on here. Playing in a situation where there's good chemistry is more important than insisting on me to score. It's kind of crazy to sit here and say that I alone can make the Pistons win a world championship. I wish it was like that, but we're going to have to do a lot of things in order to win."

"Chuck Daly knows my offense is there if he wants it. I can't wait to get started. Magic is my buddy, I love him dearly, but this is no time to be pals. Isiah and I think it's time we got a ring."

—CLIFTON BROWN



Lakers' Abdul-Jabbar and A.C. Green close in on a loose ball.

BOOKS

CRASHING THE GATES: The De-WASPing of America's Power Elite

By Robert C. Christopher. 304 pages. \$19.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by Christopher Lehmann-Haupt

THE thesis of Robert C. Christopher's new book is obvious from its title, "Crashing the Gates: The De-WASPing of America's Power Elite." As the author explains it, when Michael S. Dukakis stressed his immigrant heritage while accepting the Democratic nomination for president last summer, the event "mirrored a sea change in life in the United States: the replacement of a power elite historically almost exclusively composed of WASPs or assimilated WASPs by one in which it has become commonplace to be of patently non-WASP heritage."

Yet having stated this premise, Christopher — a journalist who is now administrator of the Pulitzer Prize — immediately recognizes certain difficulties he is in. What exactly is a white Anglo-Saxon Protestant? What is not a WASP? And what are the "gates" that these people of more assertively "ethnic" heritage are "crashing"?

There are of course no easy answers to such questions, any more than it's simple to explain how Dukakis is different from Andrew Jackson, another presidential nominee whose parents, having been born in Ireland, were also both immigrants. Every generalization that Christopher makes seems to have a qualification. But this is where the fun of "Crashing the Gates" comes in. Christopher, whose previous books were "The Japanese Mind" and "Second to None: American Companies in Japan" — seems happiest when he is trying to sculpture fog.

For instance, in defining what members of the WASP "power elite" used to be he shows that they were often not white Anglo-Saxon Protestants. For instance, "the quintessential *beau sabreur* George Armstrong Custer was the great-grandson of a Hessian officer named Kuester."

And he is not afraid to mix a metaphor. After suggesting with his book title that non-WASPs have crashed the gates of the American establishment, he argues in his third chapter that the invaders have also made concessions by modifying their ethnicity. "To put the matter more concretely, successful Americans now live in a kind of halfway house between the old myth of the total eradication of diversity by the melting pot and the newer one of rampant cultural pluralism."

In short, even outside the gates, a common culture has emerged.

In such occasionally roundabout

ways, Christopher advances the pawns of his thesis. World War II was the watershed. The GI Bill drew previously isolated groups like Polish-Americans and Americans of southern Italian background out of their enclaves and into a new middle class of educated Americans. The black civil rights movement aggravated blue-collar ethnics and impelled them to express a new upward assertiveness. From above, Vietnam dealt WASP-dom a crippling blow.

In institution after institution, the story has been the same. Look over the lists of names and, whether they are political (Adams, D'Amato, Kerry, Levin and Matsunaga), industrial (Jacobs, Kerkorian and Wang) or social (Ertegan, Stassinopoulos and Steinberg), the point is made.

All of which is fun to read about, even when Christopher seems to be stretching the evidence. (Are Mario Puzo and Bette Rao Lord really evidence that new waves of ethnic fiction have formed to succeed the likes of Saul Bellow, E.L. Doctorow and Cynthia Ozick?)

The only question is, does it matter if the gates have been crashed? Does it matter to people outside the elite, to the middle and lower classes, and, in particular, to those who have been excluded? Christopher concedes the point. "In certain respects, the answer has to be that it will make little difference if any at all," he writes at the end of his entertaining study.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

WINNERS at the Eastern Championships included Vic Mitchell and Bill Roberts in the Men's Pairs and Debra Osborn and Charlotte Herdman in the Women's Pairs. The diagrammed deal from the Men's Pairs illustrated a point in bidding and a point in defense. A double of a one no-trump opening cannot be for penalties if the doubler has passed, so experts assign specific meanings to this action. One possibility is to use it to show major suits. Another, used by West here, is to use it to show length in spades and one other suit. After opening with a weak no-trump, South landed in an aggressive three no-trump and West now made a penalty double. He might have led a spade, which would have, as it happened, removed a major entry from the dummy. Instead, he decided South was prepared for a spade lead and tried a heart. This was less damaging, for it permitted South to capture East's king with the ace and set about diamonds. West now recovered from his unsuccessful opening lead. He dropped the diamond queen under South's ace, and this served to defeat the contract. East could not be prevented from winning a diamond trick and continuing hearts, allowing West to score three tricks before South could reach the dummy to score the established diamonds. If West had not parted with the diamond queen, he would have been allowed to win the third trick with that card. The unblock would have been an error in some other situations, for South might have held A J x in diamonds, but it was necessary here.

NORTH			
♠	Q	10	8
♥	Q	7	6
♦	Q	7	6
♣	Q	7	6
WEST			
♠	A	8	5
♥	A	8	5
♦	A	8	5
♣	A	8	5
SOUTH			
♠	A	8	5
♥	A	8	5
♦	A	8	5
♣	A	8	5

North and South were vulnerable.

West led the heart ace.

PEANUTS

MARCIE AND CHUCK HAVE GONE OFF TO CAMP WHILE I HAVE TO STAY HOME AND GO TO SUMMER SCHOOL. I'M SO JEALOUS I CAN'T STAND IT!

WHY AM I SO DUMB IN SCHOOL? WHY CAN'T I GET BETTER GRADES?

SOMETIMES I THINK MAYBE I TOOK ALL THE LIGAMENTS IN MY HEAD.

BEETLE BAILEY

SIR... I WAS SUPPOSED TO TELL YOU SOMETHING BUT I FORGOT...

MAYBE IT WILL COME TO YOU LATER

YEAH, IT COULDN'T HAVE BEEN VERY IMPORTANT OR I WOULD HAVE REMEMBERED

ANDY CAPP

ARE YOU AWARE THAT TODAY'S YOUR WEDDING ANNIVERSARY?

THANKS FOR REMINDING ME, LET ME KNOW WHEN YOURS IS AND DRINK ON IT

WIZARD of ID

WE CAN GO OUT IF YOU WILL FIND A DATE FOR SHIRLEY

WHAT ARE HER INTERESTS?

GOOD FOOD, FITNESS, AND LOTS OF LAUGHS

REX MORGAN

I'D SUGGEST THAT YOU GET TOGETHER WITH DR. CRISP AND DISMISS WHAT EACH OF YOU EXPECTS FROM A MEDICAL PARTNERSHIP, REX!

I'LL DO THAT BOB... AND REPORT BACK TO YOU!

JUNE, DO YOU KNOW WHETHER REX PLANS ON KEEPING HIS OFFICE APPOINTMENTS TOMORROW? BECAUSE IF HE DOES, THERE WON'T BE MUCH SENSE IN MY HANGING AROUND. I'LL RUN UP TO CHICAGO TO CHECK ON MY AUNT!

GARFIELD

BOING BOING BOING

I WONDER WHERE GARFIELD GOT THE SPRINGS

OH

DOONESBURY

AN UNLIKELY MENTION IN THE DOONESBURY COMICS. I'M IN HIS DREAMS BUT I NEVER MET THE MAN!

"APRIL 24, 1984, KATH HARRIS TUSCH ON THE SATURDAYS BECAUSE NOBODY KIDS MAKING HIS PICTURE, SO HE STORMED OFF THE PLANE AT MILAN, LEAVING JUST ME, MURDER AND JACK!"

"MURDER HAD JUST RETURNED FROM WASHINGTON, HARRIS ASKED HIM IF HE WAS UP TO FOUR APPOINTMENTS, INCLUDING ONE WITH CONGRESSMAN NICHOLAS LAZZARI DREMPER."

GRACIOUS! THAT SHOULD REP UP MY IMAGE!

OH, HOLD OFF ON THE LAZZARI THEN!

DENNIS THE MENACE

DO YOU KNOW HOW OLD MR. WILSON SAYS HE IS? PLenty-NINE.

JUMBLE

Unscramble these four jumbles. One letter to each square to form four ordinary words.

NAISE
SIDAY
BEFILE
MOUFAS

Print answer here: BY

Yesterday's Jumble: EVIL DRINK WEAPON ARTERY
Answer: Her enemy will dominate this HIS WEAR "WONT"

BLONDIE

HONEY, WE'VE EATEN AT HOME EVERY NIGHT THIS WEEK

I FEEL LIKE A CHANGE OF PACE

LET'S SWITCH SEATS

WELL, IT'S A START

SCOREBOARD

League Standings

AMERICAN LEAGUE			
Team	W	L	Pct.
Baltimore Orioles	48	24	.667
Seattle Mariners	47	25	.653
Los Angeles Angels	46	26	.639
California Angels	45	27	.625
Minnesota Twins	44	28	.611
Texas Rangers	43	29	.597
Chicago White Sox	42	30	.583
San Diego Padres	41	31	.569
San Francisco Giants	40	32	.556
Philadelphia Phillies	39	33	.543
Atlanta Braves	38	34	.529
St. Louis Cardinals	37	35	.515
San Francisco Giants	36	36	.500
Los Angeles Dodgers	35	37	.486
San Francisco Giants	34	38	.472
San Francisco Giants	33	39	.458
San Francisco Giants	32	40	.444
San Francisco Giants	31	41	.430
San Francisco Giants	30	42	.417
San Francisco Giants	29	43	.403
San Francisco Giants	28	44	.389
San Francisco Giants	27	45	.375
San Francisco Giants	26	46	.361
San Francisco Giants	25	47	.347
San Francisco Giants	24	48	.333
San Francisco Giants	23	49	.319
San Francisco Giants	22	50	.306

NATIONAL LEAGUE

Team	W	L	Pct.
San Francisco Giants	48	24	.667
Los Angeles Dodgers	47	25	.653
San Francisco Giants	46	26	.639
San Francisco Giants	45	27	.625
San Francisco Giants	44	28	.611
San Francisco Giants	43	29	.597
San Francisco Giants	42	30	.583
San Francisco Giants	41	31	.569
San Francisco Giants	40	32	.556
San Francisco Giants	39	33	.543
San Francisco Giants	38	34	.529
San Francisco Giants	37	35	.515
San Francisco Giants	36	36	.500
San Francisco Giants	35	37	.486
San Francisco Giants	34	38	.472
San Francisco Giants	33	39	.458
San Francisco Giants	32	40	.444
San Francisco Giants	31	41	.430
San Francisco Giants	30	42	.417
San Francisco Giants	29	43	.403
San Francisco Giants	28	44	.389
San Francisco Giants	27	45	.375
San Francisco Giants	26	46	.361
San Francisco Giants	25	47	.347
San Francisco Giants	24	48	.333
San Francisco Giants	23	49	.319
San Francisco Giants	22	50	.306

Next Line Scores

Team	W	L	Pct.
------	---	---	------

ART BUCHWALD

Hash-Brown Takeover

WASHINGTON — There are so many takeovers, mergers and leveraged buyouts in the United States that no one knows who owns what any more.

I saw this with my own eyes the other morning when I stopped by Al & Rose's One-Stop Lunchroom on Route 312. I ordered breakfast and was sipping my coffee when the Japanese man on the stool next to me told Al he was putting too much butter on the toast.



Buchwald

"What business is it of yours?" Al wanted to know. "My company, Nummi-Nummi Limited, bought your store yesterday."

Al was outraged. "They couldn't have. Rose and I are independent."

"It doesn't matter. We bought up every convenience store in America, including this one. Please take this with our compliments."

"What is it?" "A golden parachute from Tokyo — it's just a small token for each person that we buy out."

"Just a minute," a man with a distinct English accent said. "I don't believe that Nummi-Nummi Limited owns this business. My firm, London Grabbers Associates, made a successful raid on Al & Rose's this morning. We bought the whole kit and caboodle for \$1 billion."

Medals of 1st Swimmer Of Channel Auctioned

LONDON — A collection of medals won by Matthew Webb, the first man to swim the English Channel, was bought Wednesday by an unidentified collector who was inspired as a boy by Webb's feats, Phillips auctioneers said.

The medals, including three for bravery, were sold by a descendant of Webb's and fetched \$12,650 (about \$20,000), the auction house said. Webb, a captain in the merchant navy, drowned in 1883 in the Niagara Falls rapids.

"That can't be true," the Japanese man retorted. "No one would offer to pay such a sum for this establishment."

"We're not going to keep it all. Our American subsidiary plans to spin off the stools in the lunchroom to the West Germans and just hold on to the convenience store."

Rose popped out of the kitchen. "Who ordered eggs and who wanted the corned beef hash?"

A Saudi Arabian businessman walked in with his entourage. He checked the tables and the condition of the jukebox, and then told one of his lackeys, "Call Drexl Burnham and have them make an offer to acquire everything."

"You want to own this place?" "This and every building on Route 312 from Baltimore to Atlanta."

"Now, see here, my good man. Al & Rose's is ours. You have to deal with us for either the kit or the caboodle," the Englishman said.

"No, we don't. It was sold this morning to the Tortellini Brothers. They put it on the market 15 minutes after they gained control."

Rose asked, "Al, what's going on?" "We're being bought and sold by every multinational in the Swiss telephone book. Our business is now worth \$3 billion, and there are buyers standing in line."

"Oh, yeh," Rose said, "and if they take us over, who is going to cook the scrambled eggs and hash browns?"

"I don't believe they've thought that far ahead, Rose. They're only interested in the market value of our place."

The phone rang and Al answered it. He turned to the people at the counter and yelled, "It's Salomon Brothers. They want me to tell everyone here that they have a mystery client from Brussels who is willing to pay \$4 billion for the jukebox alone."

The bidding lasted for over an hour. The Saudi businessman and the Englishman were getting ready to leave when Al shouted, "You each owe me five bucks for breakfast."

The Englishman replied, "Every one knows that people who deal with takeovers never carry cash. We'll send you a junk bond instead."

Charles Mingus's 'Epitaph': A Symphony

By Richard Harrington

YOU would think that a 15-pound, 500-page, 3,446-measure, two-hour-long score by a major American composer would be pretty hard to hide.

Knowing that the composer was Charles Mingus, though, it's not hard to understand why his musical associates and admirers didn't know about "Epitaph," the recently uncovered and pieced-together jazz symphony that received its world premiere Saturday night at New York's Lincoln Center.

It also was performed Monday night at Wolf Trap Farm Park outside Washington by an all-star 30-piece orchestra under the direction of Gunther Schuller.

In an unpublished interview, Mingus referred to this project obliquely, saying only, "I wrote it for my tombstone." Now, 10 years after Mingus's death at 57 from amyotrophic lateral sclerosis, that tombstone is pulsating with what Schuller calls "one of the most important premises in the annals of American music."

From its discovery by the musicologist Andrew Homzy to Schuller's restoration, from the innovative computerized score to the mounting of these two concerts, Mingus's "Epitaph" has proved to be a major undertaking.

There were hints of it in a 1960 Downbeat interview in which Mingus spoke of creating a symphony for jazz improvisers where no one could tell where the improvising ends and the improvisation begins. There were also hints of it at a Town Hall concert in 1962, but that event was so disastrous that the work was subsequently buried by Mingus.

"I would have thought that somehow during the 30 years that I knew him and worked with him that I would have heard of this," says Schuller, a composer, conductor, scholar and educator. "So I was really very surprised and amazed when I heard of the magnitude of the piece. It's a wonderful event, the first work by a jazz-related composer of such duration. The one big problem that jazz never really got around to solving is how to deal with large form, large structure and long continuities."

Charles took a gigantic step in that direction, quite beyond what Duke Ellington left that problem."

Ellington was an idol, a model, an inspiration to Mingus, though he never enjoyed the support of the arts and jazz establishment that Ellington did. Nor did Mingus benefit from the constant access to a big band that allowed Ellington to develop and refine his orchestral writing.

As a bassist, pianist and composer, Mingus was distinctive and innovative, particularly at recording his jazz compositions with the improvising spirit of jazz. There are other extended Mingus compositions, notably "The Black Saint and the Sinner Lady" and "Meditations on Integration," but no one realized that Mingus had created such a monumental work, one that would go unplayed for more than a quarter of a century.



Mingus wrote two-hour symphony "for my tombstone."

Just as Duke Ellington wrote for the individual musicians in his band, so did Mingus, and he obviously expected his handpicked musicians would create "Epitaph" as much as he did.

Unfortunately, says Homzy, "Mingus did not have the luxury of a regular working band like Ellington," and lacked Ellington's charm. Abrasive, he brooked no compromise, demanded total discipline and involvement. When Mingus drew up his ideal band, 33 strong, Homzy points out, "all were capable section players, good readers, and tremendous improvisers."

Homzy, who teaches at Montreal's Concordia College, came by the New York apartment of Sue Graham Mingus, Mingus's widow, a few years back "to get some music for his students," she recalls.

What Homzy found was a jumble of scores in shopping bags, boxes and trunks. He offered to catalog it, and with a grant from the National Endowment for the Arts, Homzy and his wife began to do just that.

"I started to come across these large yellow sheets, an old-fashioned kind of duplicating done in the '60s, a waxy, translucent, treated paper," Homzy explains. "I kept coming across scores duplicated on this paper, but the paper was brittle and falling apart, so I didn't spend a lot of time looking them over. I wanted to save that for another time. But I kept finding copies scattered throughout the collection. Then one came in with a big art-portfolio case, and I opened it and immediately saw the same scores that I had been finding elsewhere."

Homzy noticed that the measures were numbered consecutively. Some sections also had titles or subtitles like "Epitaph."

"They were all in the same hand, scored for the same size instrumentation, so I went back, brought it all together. It wasn't clear it had ever been played, though Charles wrote the names of musicians he wanted. That was the clue that led Homzy to scores made at the Town Hall concert."

That concert, originally scheduled for Nov. 15, 1962, may well be the reason "Epitaph" disappeared for 25 years. Mingus had talked his label, United Artists, into hiring a large jazz orchestra for the event. Realizing he finally had the opportunity to write and record this larger configuration, Mingus began creating what would come to be known as "Epitaph."

"Some of it was older pieces that he revised and recast," Homzy says. "Some of it was newer music. Some of it was a reflection of what he came from and the lineage of the jazz composer. He was summing up his musical resources and sources in this gargantuan work."

Unfortunately, United Artists moved up the date five weeks to Oct. 12, leaving Mingus strapped for time and resources. He was simply wearing too many hats:

composer, conductor, bassist, soloist, producer, contractor. Lacking preparation time and rehearsal, the concert was a disaster in which little of "Epitaph" was performed, and that in drastically altered form.

Mingus had to hire others to complete the score, even during the concert, copyists were still churning out parts right on stage. Finally, Mingus lost his cool when the trombonist Jimmy Knepper refused to do any more arrangements: Mingus snatched his longhairs, breaking several teeth and forcing Knepper into a three-year retirement while his armature healed.

Mingus "was psychologically devastated," Homzy says. "As a result of the fiasco, he lost one of his closest musical collaborators, court (on assistant) charges. He was left with a tremendous debt for the copyists and musicians. It was such a bitter experience for him that he just never brought the subject up again."

Homzy and Schuller aren't even sure of "Epitaph's" chronology, though they suspect some elements date from the early '50s and others may have been completed in the late '60s.

One of the 20 movements, "The Chill of Death," dates from 1959, when Mingus was only 17. Some pieces — "Freedom," "People's Blue Skyline," "Better Get It in Your Soul" — were already around in one form or another. Others — "Monk, Bunk and Vice Versa" and "O.P." — subsequently worked their way into the Mingus repertoire, albeit briefly and never as originally orchestrated.

"Epitaph" goes far beyond the normal confines of jazz, which even today is mostly based on 32-bar song or 12-bar blues," Schuller said.

Britain's Channel 4 filmed the concert, and telecasts are already scheduled for a half-dozen European countries. NPR taped the Wolf Trap concert for later broadcast in the United States.

Fantasy will release a 12-CD tribute box with Mingus's complete recordings for Debut, the label he started in 1952. Hal Willner, the eclectic conceptualist producer, is already working on a double-album Mingus tribute.

PEOPLE

Sting's Amazon Drive Is Criticized in Brazil

The British pop star Sting, a campaigner to protect the Amazon rain forest and native Indians in Brazil, was confronted with criticism and bureaucratic problems during a visit to Brazil. He arrived in the capital after a two-month international tour to raise funds for creating an Indian reservation in the Amazon jungle. At a meeting to discuss the campaign, Mario Jurema, a Xavante Indian and former congressman, accused the singer of taking advantage of the "poverty and innocence of the Indians" in his self-promotion. Sting also was told that to visit King's National Park he would have to meet the usual formalities to enter the restricted area. Reports said Sting was silent but canceled a press conference.

In 1965, George Balanchine created a solo for Patricia McBride, whom he had chosen to be the sweet and sparkling Columbine in his comedia dell'arte ballet, "Harlequinade." It was with this choreographic bouquet from Balanchine that McBride, after 30 years with the New York City Ballet, made an official farewell to the New York State Theater. The nearly four-hour program of "A Special Tribute to Patricia McBride" consisted of 12 ballets or excerpts identified with her career.

The hotel and real estate tycoon Harry B. Helmsley, 80, has been ruled mentally incompetent to stand trial on tax evasion charges. U.S. District Court Judge John W. Wever ordered Helmsley to the trial of his wife, Lucie, 68, and two others, ruling that he could not assist in his defense because of memory lapses and reasoning difficulties. The Helmsleys were indicted in April on charges that they evaded personal income taxes by disguising about \$4 million in renovations to their Connecticut mansion as business expenses.

The daughter of President Bart Woldstrom of Austria was fined 300 Swiss francs (\$174) in St. Gallen, Switzerland, Wednesday for taking paintings and a mirror owned by her husband while they were filing for divorce. Liselotte Natter had the articles when she and her husband shared out the contents of their villa at Chandelin. The court dismissed original charges of theft.

TECHNOLOGY QUARTERLY

A Special Report Pages 11-13

No. 38.060

Moscow Is Of Economic Backer of Change

A 'Colossal' Budget

By David R. ...

Moscow's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain. The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.

The Soviet Union's economic situation is a complex one. The Soviet Union's economy is a vast and intricate web of industries and services. The government's budget is colossal, and the country's economic future is uncertain.